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OTTAWA
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PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
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1948

HOUSE OF COMMONS

Tuesday, February 10, 1948

The house met at three o'clock.

PRIVILEGE

MR. KNOWLES—NOTICE FROM KING'S PRINTER WITH REGARD TO REPRINTS OF MEMBERS' SPEECHES

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, I rise to a question of privilege affecting the rights and privileges of members of this house. I shall be as brief as I can, without any detail. Last year, on July 14, the joint committee on printing presented its second report to this house. I refer to the report having to do with *Hansard* reprints. Concurrence in that report was not moved; consequently it was not approved by the house. Recently, however, hon. members have received from the king's printer a statement with respect to *Hansard* reprints, increasing the price and also decreeing that the recommendations of the report, which we have never approved, are now in effect. I submit, Mr. Speaker, that that is a breach of the rights and privileges of hon. members, and that either the Secretary of State or Your Honour should look into the matter.

MR. CRUICKSHANK—PRESS NOTICE OF SNOW IN VANCOUVER

Mr. G. A. CRUICKSHANK (Fraser Valley): On a question of privilege, sir, I may not be quite as brief as the previous speaker, because we have had considerable publicity lately in Edmonton and elsewhere about the freedom of the press. An insult to the province of British Columbia and particularly to my riding has been published in the papers. I shall just read it:

> Schools were closed in Vancouver, on Vancouver island and in the Fraser valley . . .

On account of snow. Mr. Speaker, I received a flower from my garden this morning.

MR. MITCHELL—EXPLANATION OF REMARK MADE IN DEBATE ON FEBRUARY 9

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, on a question of privilege, yesterday I made a remark during the course of the address by the hon. member for Cape Breton South (Mr. Gillis) which gave an impression quite contrary to what I believe. I was quoted as saying "That is not the story in the trades congress, and the hon. member knows it as well as I do". The hon. member for Cape Breton South had been talking about profits, prices and wage control and then of labour organizations being willing to co-operate with the government and myself and my remark made it clear that I discounted this. What I had in mind when I spoke was the stand of organized labour on wage control—that they were against it. I was not thinking about co-operation, which I must say now has been forthcoming at all times from labour organizations and which has helped greatly in better industrial relations generally. Because of the misapprehension, hon. members will note that I deleted the word "not" from the typewritten report of my remarks recorded on page 989 of *Hansard*. I thought I should make this statement in explanation.

BUSINESS OF THE HOUSE

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): May I ask the Prime Minister what work he intends to proceed with if the motion before the house is disposed of this afternoon?

Right Hon. W. L. MACKENZIE KING (Prime Minister): We shall continue with the debate on the emergency measure today, and tomorrow and on Thursday the debate on the address, and on Friday we shall return to the emergency measure.

Mr. KNOWLES: By "emergency measure" the Prime Minister means Bill No. 3?

[*Later*:]

Mr. MACKENZIE KING: May I supplement what I have said with reference to continuing on Friday with the emergency measures? I have since been informed by the Minister of Finance that he may wish to ask the house to take some other measure on Friday than the emergency measure, and in that event we will try to arrange, between now and Thursday night, what will best suit hon. members.

Mr. BRACKEN: I understood the Prime Minister to say that tomorrow we would proceed in committee with Bill No. 3.

Mr. MACKENZIE KING: No, today.

Mr. BRACKEN: I understood the Prime Minister to say tomorrow as well, and I had previously understood that tomorrow and Thursday were to be given to the speech from the throne.

Mr. MACKENZIE KING: I am sorry if I did say that. I meant to say that this afternoon we would continue with the emergency measures, on Wednesday and Thursday with the debate on the address, and on Friday take up the emergency measures again. I am now saying that on Friday we may not take up the emergency measures at present being considered, but we shall seek between now and Friday to arrange either to continue the debate on the address or to take up some other emergency measure as may best suit the convenience of the house.

Mr. ADAMSON: I understood the Prime Minister to say that it was the intention to proceed with a measure of the Minister of Finance on Friday instead of going back to the speech from the throne. Is it the intention of the minister to proceed with the gold measure, or some other matter?

Mr. ABBOTT: I had not given special consideration to that, Mr. Speaker. The measure to assist the gold mining industry is on the order paper and it could be proceeded with at any time. It is not as urgent as some of the others, but perhaps we can give the question consideration between now and Friday.

SUGAR BEETS

REQUEST FOR ANNOUNCEMENT OF 1948 PRICE INCREASE

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): I desire to direct a question to the Minister of Finance, based upon a newspaper report of January 12, 1948. The report states that on January 12 was announced the 1948 increase in price for tomatoes, peas for canning, sweet corn and green beans, crops which compete with sugar beets in the labour market. In the light of these facts, will the minister tell the house when he will make known what increase the government will render possible to producers in the price per ton of beets for sugar making in 1948?

Hon. DOUGLAS ABBOTT (Minister of Finance): The hon. member for Lethbridge was good enough to give me notice of the question and I can best answer it by repeating the last paragraph of the statement I made on November 3, 1947, when sugar rationing was abandoned. The paragraph reads:

> The government does not propose to subsidize the production of sugar beets in 1948, nor does it propose to sell imported cane sugar on a subsidized basis. Beet sugar may therefore be expected to sell at prices in line with average laid down duty paid costs of imported cane sugar.

PRAIRIE FARM REHABILITATION

INQUIRY AS TO PRINTING OF ANNUAL REPORT

On the orders of the day:

Mr. E. D. FULTON (Kamloops): The Minister of Agriculture has tabled a copy of the report of the administration of the Prairie Farm Rehabilitation Act. Is it intended to have that report printed, and if so, will it be available for distribution to members? If that was not contemplated, will the minister arrange to have the report printed?

Right Hon. J. G. GARDINER (Minister of Agriculture): I will inquire into the matter. I am not certain whether it will be printed or not, but I will look into it.

FLAXSEED—CATTLE

REQUEST FOR ANSWERS TO QUESTIONS ASKED ON FEBRUARY 9

On the orders of the day:

Mr. LEWIS MENARY (Wellington North): Through you, Mr. Speaker, I would like to ask the Minister of Trade and Commerce, or, in his absence, his parliamentary assistant, to take notice of my questions of yesterday, page 986 of *Hansard*, relating to flaxseed and cattle, and answer them.

Right Hon. C. D. HOWE (Minister of Trade and Commerce): My parliamentary assistant advises me that the statement in answer to the question is not ready. It will be given tomorrow or as soon as it comes to hand.

WHEAT

PARTICIPATION CERTIFICATES FOR 1945 AND 1946 CROPS

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct a question to the Minister of Trade and Commerce. Is he in a position to advise when participation certificates covering the 1945 and 1946 crops will be paid?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): My hon. friend is aware that no increase in the initial pay-

ments from the five year wheat pool can be made without an amendment to the wheat board act. The amendment has been prepared and will be on the order paper within the next few days. I am advised by the wheat board that payments can be made promptly after that amendment is approved by the house. Participation certificates for the 1945 crop are already in the hands of the wheat board, and cheques will issue, I am told, over a very short period as soon as the legislation is passed.

PETROLEUM PRODUCTS

FUEL OIL FOR FERRY STEAMERS "ABEGWEIT" AND "PRINCE EDWARD"

On the orders of the day:

Mr. W. CHESTER S. McLURE (Queens): In view of the short supply of fuel oil, as per statement made a few days ago, I desire to direct a question to the hon. the Minister of Transport. Is there a sufficient quantity of fuel oil in storage at Borden and Tormentine for the ferry steamers *Abegweit* and *Prince Edward* on the Borden-Tormentine route for the winter and spring seasons of 1948?

POSTAL SERVICE

SUPPLEMENTARY PAYMENTS TO RURAL MAIL COURIERS

On the orders of the day:

Mr. W. CHESTER S. McLURE (Queens): Seeing that I did not get an answer to my previous question I will try another one. I desire to direct a question to the hon. the Postmaster General, or the Prime Minister, or both. Is it the intention of the government to set up a special committee of the house to study the problems of the rural mail couriers in order to give these most faithful servants a living wage?

Hon. ERNEST BERTRAND (Postmaster General): It is not the intention of the government to establish a committee, but as I said before, a bill will be brought in to give authority to make further supplementary payments.

PRICES

APPOINTMENT OF SPECIAL COMMITTEE TO INQUIRE INTO PRICE INCREASES AND MATTERS PERTAINING THERETO

The house resumed from Monday, February 9, consideration of the motion of Mr. Mackenzie King that a select committee be appointed to examine and report on the causes of the recent rise in the cost of living, and matters pertaining thereto.

Mr. T. J. BENTLEY (Swift Current): When the debate was adjourned last night I was mentioning that when Canada developed a shortage of United States dollars, the government acted rapidly to take some corrective measure. When however Canadian citizens are faced with a shortage of Canadian dollars the government considers that a powerless committee is a good enough answer to this house and to the country. By their actions in these two matters they invite the suspicion that there is an ulterior motive, and possibly Mr. Warren Baldwin, writing in the *Globe and Mail* on January 9, 1948, hit on that motive. Mr. Baldwin has this to say, and I quote from a press dispatch of that day in the *Globe and Mail*:

> Plans crystallizing here to take care of Canada's physical contribution to the still hypothetical European recovery program are predicated on a greater degree of austerity than is yet being practised by the Canadian consumer . . . the Canadian public will be expected to produce an exportable surplus by cutting down on domestic consumption . . . counting on the rising costs of living in Canada to assist by cutting down the present spending spree . . . This principle applies in the food field itself... If higher prices themselves fail to take care of the situation it may be that other forms of pressure will have to be used.

And further on he says:

> There are at least some members of the government who are finding it hard to shed very many tears at soaring prices so long as it contributes to the goal which it is expected the United States will demand that Canada achieve.

I suspected, and apparently he suspects, that Canada is being sold to the United States, and neither Canadian citizens nor this house of parliament know what the terms of the sale are. We only know the end result so far, and that is the high cost of living. I consider this method a rather cruel way of reducing consumption. If in order to play our proper and honourable part in assisting Europe to recover it is necessary to reduce our consumption, then every Canadian should make a sacrifice, and equality of sacrifice cannot be achieved by allowing prices to rise to a point where our less fortunate citizens are forced by economic pressures to do without many of the basic necessities of life. That equality of sacrifice can only be achieved by some form of rationing, and we have suggested the imposition of price controls and the payment of subsidies as expedient and more practical than straight rationing, although even that may be necessary for some articles.

The payment of subsidies will require the imposition of the excess profits tax, and I can see no hardship to corporations in that imposition. We have already had put on the record here some of the profit increases by

many corporations. I want to quote a few more just to emphasize what I mean when I say that no hardship will result to the corporations by the imposition of the excess profits tax.

These figures are taken from the *Financial Post* of November 15, 1947, and have been quoted before during this debate. In 1945 the Simpson Company had a profit of $1,425,858. In 1946 their profit was $3,656,851, an increase of $2,230,993, or 156 per cent. That was a substantial increase in one year, which I believe was quite unnecessary. Zellers increased their profits in 1946 over 1945 by $231,967. Dominion Stores increased their 1946 profits over 1945 by $456,116. Loblaw Groceterias increased their profits in 1946 over 1945 by $566,668. Canadian Bakeries, while they are apparently a smaller concern, increased their 1946 profits over 1945 by $71,669. Canadian Canneries increased their 1946 profits over 1945 by $697,144. The Borden Company increased theirs by $7,487,034; Silverwood Dairies increased theirs by $263,754; H. R. MacMillan Export Company alone increased theirs by $1,097,075. I gave the figures for Massey-Harris last night, and there are more figures here with which I shall not weary the house. I submit those only to emphasize again that I do not believe any hardship will result to these corporations by the reimposition of the excess profits tax.

Again, if these extra profits had not been made in 1946—and undoubtedly they will be still higher in 1947, according to all accounts we see in the papers—they could have been handled in one of two ways by the companies themselves. They could have been used to reduce the costs of the manufactured article, or they could have been used to increase the wage to the workers of those industries. As those corporations did neither, I see no reason why the government and the public should not have the benefit of those profits as a redistribution of income when there is low purchasing power on the part of many of our citizens, in order to level off the income in these days of high prices.

I know that some people will say that those increases in profits are not from profiteering. They will say that it was increased business which made them possible. That is a possibility; I do not deny it. But I have been listening for a good many years to certain types of advertising by businesses in this country, by means of which they drill into the mind of the consumer and the customer that volume cuts cost. If the volume of their business increased to the point where their profits increased as I have indicated by the figures I have quoted, obviously the volume did cut cost; and somehow that cut in the cost should have been handed on to the wage earners, the consumers, or to the public treasury. These are the reasons why our leader early in the year gave voice to the six-point program he proposed, all based on the things which we believe and which have been supported generally in the speeches from this, the C.C.F. section of the house.

Our leader asked for the following measures: reimposition of price control; renewal of the subsidies on a number of things; the closing of the Winnipeg grain exchange, which could be done; reconstruction of the wartime prices and trade board—while it may be a big job, it is not impossible; continuation of the excess profits tax after December 31, 1947, and rationing, if necessary, on some essential commodities. In spite of the courageous speeches made by members from the other side of the house, including the hon. member for Fraser Valley (Mr. Cruickshank), the hon. member for Spadina (Mr. Croll) and, I believe, the hon. member for Terrebonne (Mr. Bertrand), the government has made it clear that it will not even give consideration to the imposition of price controls, the continuation of subsidies, or the imposition of the excess profits tax. That makes me wonder what the government hope to accomplish by the setting up of this committee. Do they expect a miracle, Mr. Speaker? I am sure they do not want it. It may happen.

The hon. member for Macleod (Mr. Hansell) cited four things which would not be done; and if none of those four things is done, the committee will serve no purpose whatsoever except to provide a place in which members may spend their time instead of being here in the house or somewhere else. The chances against the miracle are great, because the committee is to be watched over by the eagle eye of a cabinet minister who will want the government policy—which is to discover nothing—carried out. He will be ably assisted by partisan members who will be equally subservient to government requirements.

The vast majority of Canadians have already said that they want price control. Let us see what the farmers have to say. I have here a leaflet containing the resolutions adopted at the fourteenth annual convention of the British Columbia federation of agriculture. This resolution, among others, was passed:

Whereas president H. H. Hannam of the Canadian federation of agriculture has issued a call to action to all member bodies of the federation, urging a nation-wide campaign of petitions, telegrams, delegations to members of parliament, and protest meetings, designed to

press the government for the return of price controls on grains, feeds and feed ingredients, and the restoration of subsidies at the coming session of the House of Commons;

Therefore be it resolved that this 1947 convention of the British Columbia federation of agriculture commend our national body for this action and pledge our wholehearted support towards the realization of a powerful and effective protest campaign, and

Be it further resolved that, in order to strengthen and co-ordinate the campaign, regional conferences shall be called throughout the province as soon as possible, representatives—

And so on, with the idea of promoting that particular plan.

I think the members of this particular group and others have indicated quite clearly plenty of good reasons why this committee should not be set up—not because we object to committees, but because the committee will serve no purpose except that of taking up the time of the members. We believe that action is what is required now. I know there are a few people in the country who do not want controls. But, Mr. Speaker, in the old days when highwaymen and bandits were prevalent in some parts of the world the first government that attempted to control them and prevent them from preying on the peaceful public was considered to be a most radical government. The bandits felt they had the right to the kind of life they lived, the right to engage in their piratical activities. Even one of Kipling's poems, the Lament of the Border Cattle Thief, indicates the insult which the chief of the border band felt had been visited upon him because the British government refused to allow him and his tribe to prey on the peaceful farmers of the valley in his territory.

The beneficiaries of any system or plan of society—or lack of plan—complain when some privilege is taken from them. But, Mr. Speaker, at the present time the welfare of far too many of our Canadian citizens depends upon the action taken by this government and this parliament to permit a few people, who because of some historical events in their lives have now assumed positions in the economic world, to exercise control which this parliament should have.

I repeat that we see no good purpose to be served by this committee. We believe the government should get on with its job, as it has in some of the other instances I have mentioned during the course of my contribution to this debate.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, today the Canadian people find themselves in a desperate situation. The proposal that a parliamentary committee be set up at this time reveals how little that fact is appreciated by those in control in the government here. For the past two years we have been facing rapid rises in the cost of living, which have used up the entire income of the people and drained their last bit of savings. The steepest increases have taken place in the past ten months, and the point now has been reached where the income of the average Canadian breadwinner no longer buys the food, clothing, fuel and care which his family requires for a proper Canadian standard. Each week new prices are announced on basic goods—flour, bread, milk, clothing, shoes, fuel, including coal, wood and oil. Each month, with monotonous regularity, the family finds that its income will not cover the new costs. Every wage earner in Canada is facing the problem of a rapid decrease in the amount of necessary goods his cheque will buy.

Recently I received a petition from my constituency, in the form of a resolution, which with your permission I should like to read to the house:

Whereas the rising cost of living is making it impossible for us to buy the necessities of life in food, clothing, fuel and shelter for our families and ourselves;

And whereas wages and salaries do not keep up with these rising costs, and so our savings are being completely used up;

And whereas there appears to be nothing to stop these costs from going completely out of the reach of the people who need these goods, and will ultimately bring unemployment and depression;

Therefore we urge, in the strongest terms possible, that the authorities at Ottawa who control these policies take immediate steps to control prices of food, clothing, shelter and fuel, as basic necessities of life, until the production and supply of these things is adequate to meet the needs.

People who have some savings, or who are in a position to ask their employers for increased wages, are fortunately situated; but those who are on fixed wages, those who are in receipt of war pensions or old age pensions, and wage earners with no savings, are in a desperate situation. Today I think of people out on the prairies in the crop failure areas who have practically no income this year, and who find the cost of living most alarming. Their deep concern is, first, that no effective action seems to be taken, and, second, that there seems to be no ceiling to limit the cost of living. In vain they wait for some action by the government in Ottawa to halt this upward trend, but nothing appears to be done; on the contrary government action sometimes actually makes the situation worse.

Let me give one example to illustrate what I mean. Until last October the prices of coarse grains were controlled. Thus the cost of feeding poultry, beef, pork and mutton was

kept stabilized at least to some extent, and the cost to the consumer was kept within the reach of the average man's pay envelope. The government waited until the prairie farmers, who grow a large part of Canada's coarse grain, had delivered most of those coarse grains, I believe some 39,000,000 bushels of barley and millions of bushels of oats. Then suddenly the authorities at Ottawa removed the subsidies and turned over control of the prices of coarse grains to be set by the gambling on the Winnipeg grain exchange. Within a couple of weeks prices of these feed grains had increased ten, twenty, thirty, thirty-five cents a bushel, and those prices are still fluctuating to the detriment of both the consumer and the producer.

What was the effect of this action on the part of the government? The feed companies and the grain companies, who had purchased the grain at the lower price, by manipulating the market were able to pocket the difference. The feed companies, which had bought the grain at the lower prices, were now able to charge the increased prices for the feed they sold. As a result we hear such protests as that made last evening by the hon. member for Fraser Valley (Mr. Cruickshank), who told us that the price of feed for poultry had doubled while the selling price of eggs had been reduced by about twenty cents per doz. The net result, as far as Canada was concerned, necessarily was that since it costs more to feed cattle and poultry it costs more to produce milk, butter and eggs. So the cost of these things to the Canadian consumer had to jump, and the cost of living rose tremendously right across the country with regard to foods which are the basis of the nutrition and health of the people of Canada. The farmer who produced the coarse grains and sold before the price increase naturally lost.

The Canadian people are demanding that the Winnipeg grain exchange be closed, and that gambling in foods be stopped. It is costing the Canadian people too much. I think every member of our group has received resolutions from the Saskatchewan wheat pool committees at various points asking for the closing of the exchange. Canada cannot afford it.

Members of this house have complained about these costs. The Canadian people, and rightly so, expect effective action in regard to the rising cost of living; and they want that action now. Six months from now it may be too late. The Canadian people went through one depression. We feel we cannot protest too vehemently against any delay; and we believe that setting up this committee can only bring about a delay in essential action.

[Mr. Castleden.]

The greatest danger from a continuation of the present policy is that Canadian income will continue to be inadequate to purchase the production of this country. When production declines, firms will start laying off employees, and unemployment will further aggravate the situation. The purchasing power of the Canadian pepole, reduced time and again, ultimately will bring about a depression. I am sure every thinking Canadian would do anything he could to avoid a repetition of the thirties. If that is to be done this price trend will have to be halted, so that purchasing power will remain in the pockets of the Canadian people. I repeat that the present situation is desperate, and though its full effect has not been felt as yet, effective action to cure it must be taken now.

In the face of this situation we came to Ottawa and the house reopened on January 26. What did we find? We were told the government proposed to set up a committee. Well, Mr. Speaker, a committee can investigate; it can cross-examine witnesses; it may even expose some profiteering. For several months it will meet frequently; it will hear government officials whose evidence will cover many pages in an endeavour to vindicate government policy. If representatives of large firms are brought to give evidence they will bring with them mountainous briefs prepared by highly paid legal advisers and chartered accountants. We are told that we will find some facts, that the proceedings of the committee will give publicity to the actions of the evil doers. The Prime Minister informed us that he thought publicity was much more valuable than penalties.

Through you, Mr. Speaker, I should like to inform the government and the people responsible for the proposed committee that valuable as it may be in determining the ultimate policy and actions of the government, that type of investigation is not what the people of Canada want. What they want is action within the next few weeks. They are deeply interested in having the cost of living reduced to a point where they can all live better on the pay envelopes they bring home each week. A committee is simply not the machinery which will bring those costs down. It is not enough.

Someone has suggested that this might be a fishing expedition. Well, in a fishing expedition a fishing pole might be a valuable instrument. But what the people of Canada want is more action taken now which will put coal in their basements and food in their cupboards. That cannot be done with a fishing pole. They want the cost of living brought within the range of their pocketbooks.

The strong exception taken by the C.C.F. group to this committee may have irked the government and hon. members opposite. This protest of ours is not a protest against the committee for what it may or may not do. Our protest—and we have made it as vehemently as possible—is against the policy of the government in not implementing measures immediately to stop the rapidly rising cost of living. It is because the committee which so far is the government's only answer, is just not good enough. It does not and it cannot meet the desperate needs of the situation of the people of Canada today. If the average Canadian were in this House of Commons this afternoon, or if he were speaking of the thing which is closest to him, I believe he would say this, through you, Mr. Speaker: "Please, Mr. King, what are you going to do right now to stop the rising cost of living?" The Canadian people know that a committee will not do it. As yet we have had no answer from the government or from any of its ministers as to what it intends to do now to stop the rising cost of living.

In his contribution to the debate the Minister of Justice (Mr. Ilsley) told us that subsidies were impossible at this time. My reply to him would be that he introduced a variety of subsidies during and since the war, and effectively prevented inflation in this country. He said that was an emergency. I should like to let him know there is an emergency in Canada today; and if the Canadian people have to make a choice between subsidies and unemployment or depression, they will be glad to have subsidies.

As this debate draws to a close the Prime Minister will rise in his place and Canada will be waiting for his answer. Doubtless he will berate this group for its protests; but that will not answer the question. The Canadian people want more than a parliamentary committee. We have a right to be informed that the government will do something to make it possible for the average man in this country to use his pay envelope so that it will bring to him and his family the things he requires for a proper living standard.

By way of constructive suggestion let me repeat one or two of the things which we think should be done to stop this rising cost of living.

First, we require proper fixed prices on essential articles of food, clothing, fuel and shelter. The basic necessities of the average home must be placed within the reach of the average breadwinner in Canada.

Second, I suggest closing the Winnipeg grain exchange, so that the value of feeds and coarse grains will not fluctuate and wheat will not be allowed to go back on the grain exchange and be subject to constant fluctuations, thereby affecting the cost of living of the people of Canada.

Third, I suggest the restoration of the excess profits tax on all excess profits, so that the Canadian people will have the assurance that excessive profits are not being made by a few people while millions are forced to live in misery or without the necessities of life.

Such a program I understand will not be favourably received by those who had the privilege of grabbing all they could in a time when grabbing was good. But I suggest that this bare minimum is essential to meet the situation today, and it should be established until trade and production are restored at least to normal conditions.

The Prime Minister's answer to the Canadian people will be one of the most important statements he will make in his long public career. I hope he will not waste too much of his time berating those who oppose his ideas. I venture to say he will have the support of every thinking member of parliament from every part of the house if he outlines a program which will stop the rising cost of living. I can assure him that he will have vehement and continuous opposition from this group if he does not.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, if this debate has served no other purpose, at least it has been a fairly satisfactory test of endurance; and I am happy to discover that at the end of one solid week of sitting in the house, listening to what has been said back and forth in the course of the debate, I have found it possible to hold my own with anyone in the house—which, I suggest, is not too bad for one in his seventy-fourth year.

May I say further it has been something of a test of patience. Here again I take a certain amount of satisfaction from the thought that I have been able to listen to what might almost be called a volume of vituperation at times, and yet have been able to refrain from saying anything disagreeable or nasty to those who were making remarks of that kind.

There is, however, this real satisfaction about the whole matter: What we have had to listen to is as nothing compared with what we would have had to listen to from hon. gentlemen opposite had someone on the other side suggested or had he moved that a committee be set up to inquire into the cost of living and the government had refused to

grant that committee. We would have been told from the different groups, and in many different ways, that, in dealing with a great problem—and I believe all are agreed that consideration of the cost of living is one of the greatest problems facing not only this country but the countries of the world today—the first necessary step to take was that of investigating the causes. We would have been told by hon. members opposite that that is the method physicians adopt when they seek to combat disease. I would point out to hon. members that the cost of disease is one of the factors which keeps higher than it otherwise would be the cost of living to families which suffer in that way. We would have been told by members of the legal profession that that is the method they adopt in seeking to solve the problems of their clients. They look first for the causes at the root of the trouble they are expected to remove. We would have been told by hon. members opposite that investigation into cause is one method scientists adopt in dealing with any question, no matter to what subject it relates. The first necessary step is to ascertain the causes of the trouble into which we are inquiring and to make those causes as clear to the public as possible. That is what the government is seeking to do.

The resolution before the house is a simple one, asking that a committee be formed to inquire into the causes of the high cost of living. It sets out one or two supplementary matters to help make clear the particular causes in which the public are specially interested, namely those relating to possible profiteering, hoarding and the like. Yet we have had all kinds of objections and all this week's debate with respect to the one request by the government, that the House of Commons join with it in doing the one thing which above everything else is necessary in dealing with this all-important question.

I made it clear at the outset that this was but one of the steps which the government was taking; I cited a number of instances of what the government had done already and I indicated that there were other things that the government intended to do. I said that this was to supplement other measures, not to be a substitute for any; that this was one additional means of helping to make clear what further steps there were that would assist in the solution of this problem.

That is a simple statement of what the house was asked to do. But what have we had from hon. gentlemen opposite in the way of acquiescing in that request? We have been forced to listen to a lot of declamation and ridicule; we have had to listen to many opprobrious epithets. We have had anger displayed by hon. gentlemen opposite; we have had threats of boycotting; we have had amendments moved to this simple resolution, and we have had appeals from the Speaker's rulings in regard to those amendments. On what grounds can these actions be defended? There is only one explanation that can be given. Hon. gentlemen opposite have recognized that this step which the government is taking is one which the people of this country want taken and want taken quickly. Because it has been taken by the government, they are doing all in their power to obscure the importance of that step. That is one explanation.

This motion was the simple matter of asking hon. gentlemen opposite to join with us in having a committee of the house appointed to investigate the causes of the great problem of the rise in the cost of living in which they, like us, are interested; but they have taken advantage of this opportunity to belabour the government for coming forward with a suggestion which, if any suggestion in the world would be helpful in meeting this serious problem, this one would be.

There are perhaps other reasons. After listening to the debate it has not been difficult to discover that the members of the three groups opposite have felt that this was a good opportunity—seeing that the government had promised to give a good deal in the way of latitude and the Speaker being asked not to rule too rigidly on the different points that might come up in an effort to keep the debate to one issue—to bring out their different policies. They have exploited their policies by using the time of parliament which should have been devoted to other subjects. They have endeavoured to make the public familiar with what they regard as important in their particular policies.

The amazing part of this whole thing is that their policies are as divergent as it is possible to have them. The minute it comes to the vital question of discussing the policies of hon. gentlemen opposite, that minute they begin to fight with each other like Kilkenny cats. They have no agreement whatever in the matter of policy, but when it comes to an opportunity, as they see it, of trying to embarrass the government they are ready to join hands and dance together merrily enough.

I hope that hon. gentlemen opposite will not think that the public are deceived by anything of the kind. The public have been watching their performance from outside the house with quite as much interest as I have from this side of the house. To me the week

has been of interest in the sort of entertainment it has afforded and profitable in what it has revealed of the methods adopted by hon. gentlemen opposite in dealing with the public generally. The public will not be deceived by the performance we had in this house over the whole of last week and during the early part of this week on the part of hon. gentlemen opposite.

But there is something more serious than that. In the course of this debate we have had a good deal said that I believe is very unfortunate from the point of view of the future development of parliamentary practice and procedure and of the solution of great questions in this parliament. Among other things, we have witnessed an effort made to change the nature of what has hitherto been regarded as the duty of a parliamentary committee, to change a committee appointed for the purpose of investigating matters, into a committee to devise policy, into a committee which would take unto itself the obligation which, under the British system of government, has always rested on the shoulders of the government of the day. If we continue with that kind of thing we shall soon find the whole basis of our system of responsible government being undermined, with consequences which no one, at this moment, can foresee.

Then there was a suggestion that members of the house would not serve on the committee, that, not being able to have their own way, not being able to get others to see things just in the same light as they saw them, they would not serve, they would refrain from discharging a duty which is part of the obligation of every hon. member of parliament. I do not want to stress the point, but I was very much impressed when I heard the Minister of Justice (Mr. Ilsley) describe his experience in New York while attending the assembly of the united nations. He told us that walking out and refusing to serve was the method being adopted by some of the Soviet representatives at the united nations. I hope we are not going to have government in Canada carried on or developed along those lines, and I hope we have heard the last of any suggestion from hon. members that they intend to proceed in accordance with these new revolutionary methods, if they may be so termed.

Another thing which has been unfortunate is a tendency which has been clearly revealed of continuously appealing from rulings of the Speaker. The Speaker of the house is chosen by the members of the house to preside at its sessions. If there is one rule that is followed by the government at Westminster, above all others, it is that the ruling of the Speaker shall be respected by the house. Someone has to give the final decision. Where it is obvious that the Speaker is deciding in accordance with rules which hon. members themselves have made for the protection of freedom of discussion and debate, then every time the Speaker's ruling is challenged and an effort is made to have it appear that the Speaker has not given a just and fair ruling, to that extent correct procedure in the House of Commons suffers a heavy blow which, in the course of time, will have far-reaching reactions.

I wish to say this to hon. members about this matter of appealing from the Speaker's ruling. I venture to say that every hon. member of this house knew very well that when the Speaker decided that a certain amendment was not in order because it did away altogether with the original motion, the Speaker was giving a correct decision. They must have known that. Yet they appealed from the ruling of the Speaker and what is—

Mr. KNOWLES: I rise to a point of order—

Some hon. MEMBERS: Sit down.

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

Some hon. MEMBERS: Sit down.

Mr. KNOWLES: The Prime Minister is referring to a decision given by Your Honour and voted upon by this house. I submit that he has no right to discuss a matter that has already been settled, and that he is entirely out of order.

Mr. MACDONNELL (Muskoka-Ontario): Or to impugn our honesty. He is impugning the honesty of everyone who voted against it.

Mr. MACKENZIE KING: My hon. friends may say what they like.

Mr. FLEMING: Mr. Speaker, on a point of order—

Some hon. MEMBERS: Sit down.

Mr. FLEMING: On a point of order, is it not against the rules of the house for an hon. member to reflect upon a vote cast by any other member of the house? The Prime Minister is reflecting upon the honesty of the votes cast by hon. members on this side of the house on an appeal from your ruling, Mr. Speaker, and to do so is absolutely against the rules of this house.

Mr. MACKENZIE KING: The point I was making was, I think, perfectly clear. Hon.

members of this house know very well that where an amendment which has the effect of ruling out a motion made—

Mr. MacINNIS: I rise to a point of order. If the Prime Minister is permitted to discuss a ruling made in the house, then every hon. member has a right to discuss that ruling. The ruling has been made, and before Your Honour made it we did not get an opportunity to say whether or not the ruling was in order. I object to the Prime Minister making an issue of it at this time.

Mr. SPEAKER: I understand that the Prime Minister is not discussing the ruling which was made by the Speaker.

Mr. MacINNIS: He is discussing the ruling.

Mr. CHEVRIER: He was discussing the conduct of the opposition, and he has a perfect right to do so.

Mr. KNOWLES: The Prime Minister is not God.

Mr. MacINNIS: That is one way of getting away from discussing the cost of living.

Mr. MACKENZIE KING: If it will enable us to get a little nearer to the appointment of this committee I am prepared to end the discussion at this point. But I think the point I was making was pretty clearly understood by hon. gentlemen—

Mr. MACDONNELL (Muskoka-Ontario): On a question of privilege, Mr. Speaker—

Some hon. MEMBERS: Sit down.

Mr. SPEAKER: Order. The hon. member has the floor.

Mr. MACDONNELL (Muskoka-Ontario): I want to know whether in saying he is willing to drop it the Prime Minister is withdrawing what he said when he imputed dishonesty to everyone who voted against the ruling. I want to know whether he withdraws it.

Mr. MACKENZIE KING: Well, Mr. Speaker, I must confess I am a little terrified by the look of my hon. friend. Notwithstanding that, I must say to him that all that I have said I have said for the best of reasons and it is in no way intended to reflect—

Some hon. MEMBERS: Order.

Mr. MACKENZIE KING: —and in no way intended to reflect on anyone. I was referring to something that has happened in this house, an unfortunate practice that is growing up.

Some hon. MEMBERS: No.

[Mr. Mackenzie King.]

Mr. MACKENZIE KING: What is my hon. friend shaking his head so much for? I have said nothing to cause him any feeling. I have said what every hon. member knows to be the fact; they know certain amendments—

Mr. MACDONNELL (Muskoka-Ontario): I rise again on a question of privilege. I want to know whether the Prime Minister has withdrawn the imputation which he made against everyone who voted against this ruling when he said that it was a dishonest vote. That is what he said.

Mr. ABBOTT: No, he did not.

Mr. MACDONNELL (Muskoka-Ontario): I want to know whether he withdraws it.

Mr. MACKENZIE KING: Mr. Speaker, hon. members know very well that I have no intention of casting any reflection on any member of parliament with respect to his honesty, and I have not done so.

Mr. MACDONNELL (Muskoka-Ontario): Why not say so?

Mr. MACKENZIE KING: I have not done so, and I have nothing to withdraw.

Mr. KNOWLES: I rise to a point of order. I humbly request Your Honour to rule whether the Prime Minister has been in order or out of order in his discussion of your ruling.

Mr. SPEAKER: Order. I understand, as I said a few minutes ago, that the Prime Minister has not been discussing the ruling which has been given by the Speaker. He is reviewing what happened during the debate. I do not think that the Prime Minister has imputed any motives to hon. members.

Some hon. MEMBERS: Oh, oh!

Mr. SPEAKER: He gave his opinion of what happened during the debate.

Mr. MacINNIS: It is no wonder that rulings are appealed.

Mr. CHEVRIER: He is discussing your conduct, and you do not like it.

Mr. KNOWLES: If it is your ruling that the Prime Minister is in order, I respectfully appeal your ruling to the house.

Mr. SPEAKER: Order. I would ask the hon. member to recall that in discussing a ruling which I gave on an amendment I drew hon. members' attention to the fact that often some hon. members seem to be of the opinion that in ruling an amendment out of order the Speaker rules against its merit. The same thing applies to a motion to adjourn the

house to discuss an urgent matter of public importance. As I said before, because the Speaker does not accept the motion, some members seem to be under the impression that the Speaker does not believe that the question which the hon. member wishes to discuss is urgent and important. Because of that some hon. members appeal the decision of the Speaker. During the course of the debate two amendments were ruled out of order and they were appealed. In closing the debate the Prime Minister is reviewing what happened during the debate. I do not see any objection to what he has said up to now.

Mr. KNOWLES: Mr. Speaker, I asked you to rule whether or not the Prime Minister was in order. You have indicated that in your opinion—

Some hon. MEMBERS: Sit down.

Mr. KNOWLES: —the Prime Minister is in order. Standing order 12 states that the Speaker decides points of order, subject to an appeal to the house.

Some hon. MEMBERS: Sit down.

Mr. SPEAKER: Order. I did not decide any point of order. I just said I did not think that the Prime Minister had anything to withdraw.

Mr. KNOWLES: I raised a point of order. Under standing order 12 Your Honour has the duty of deciding on the matter raised, subject to an appeal to the house.

Mr. SPEAKER: The hon. member knows very well that if he wishes to appeal, some other hon. members must rise in their places.

Mr. KNOWLES: Oh, well, there are plenty of us to do that.

Mr. SPEAKER: Those who are in favour of the Speaker's ruling being sustained will please say "yea."

Some hon. MEMBERS: Yea.

Mr. SPEAKER: Those against please say "nay."

Some hon. MEMBERS: Nay.

Mr. SPEAKER: In my opinion the "yeas" have it.

Mr. Speaker put the question as follows:

The question before the house is an appeal from the Speaker's ruling. The hon. member for Winnipeg North Centre (Mr. Knowles) raised a point of order to the effect that in the course of his reply in the debate on the motion to appoint a select committee the right hon. the Prime Minister imputed certain motives to the opposition members. I ruled that the Prime Minister did not.

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
Arsenault
Beaudoin
Beaudry
Benidickson
Bertrand (Laurier)
Bertrand (Prescott)
Bertrand (Terrebonne)
Boivin
Bonnier
Breithaupt
Brown
Brunelle
Chevrier
Claxton
Cleaver
Coté (Matapedia-Matane)
Coté (Verdun)
Cournoyer
Croll
Cruickshank
Dechene
Denis
Dickey
Dion (Lake St. John-Roberval)
Douglas
Emmerson
Eudes
Farquhar
Fontaine
Fournier (Hull)
Gardiner
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gibson (Hamilton West)
Gingues
Gladstone
Glen
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Gregg
Hallé
Hamel
Harris (Grey-Bruce)
Hartt
Healy
Howe
Isnor
Jutras
King, Mackenzie
Kirk
Lacombe
LaCroix
Lafontaine
Lalonde
Langlois
Lapointe
Laurendeau
Leger
Lesage
Little
McCann
McCubbin
McCulloch (Pictou)
Macdonald (Brantford City)
McDonald (Parry Sound)
McIlraith
McIvor
MacKinnon
MacLean
MacNaught
Maloney
Marier
Marquis
Martin
Matthews (Brandon)
Maybank
Mayhew
Michaud
Mitchell
Mullins
Mutch
Nixon
Parent
Pinard
Pouliot
Reid
Richard (Gloucester)
Richard (Ottawa East)
Robinson (Simcoe East)
Ross (Hamilton East)
St. Laurent
Sinclair
Sinnott
Smith (York North)
Stuart (Charlotte)
Tremblay
Tucker
Viau
Warren
Weir
Whitman
Winkler
Winters—107.

NAYS

Messrs:

Adamson
Archibald
Argue
Ashby
Aylesworth
Barrett
Bentley
Black (Cumberland)
Black (Yukon)
Blair

Boucher
Bowerman
Bracken
Bradshaw
Brooks
Burton
Campbell
Caouette
Casselman
Castleden
Church
Daniel
Diefenbaker
Drope
Fair
Ferguson
Fleming
Fraser
Fulton
Gillis
Graydon
Green
Hansell
Harkness
Harris (Danforth)
Hazen
Henderson
Herridge
Hlynka
Hodgson
Irvine
Jackman
Jaenicke
Johnston
Kidd
Knight
Knowles
Kuhl
Lennard
Lockhart
Low
McCuaig
McCullough (Assiniboia)
Macdonnell (Muskoka-Ontario)
MacInnis
McKay
McMaster
MacNicol
Manross
Marshall
Matthews (Kootenay East)
Menary
Merritt
Miller
Moore
Murphy
Nicholson
Pearkes
Probe
Quelch
Robinson (Bruce)
Ross (St. Paul's)
Ross (Souris)
Senn
Skey
Smith (Calgary West)
Stanfield
Stephenson
Stewart (Winnipeg North)
Stokes
Strum, Mrs.
Thatcher
Timmins
Townley-Smith
Tustin
Webb
White (Hastings-Peterborough)
White (Middlesex East)
Wright
Zaplitny—90.

Mr. BLANCHETTE: I was paired with the hon. member for Stanstead (Mr. Hackett). Had I voted, I would have voted to sustain your ruling, Mr. Speaker.

Mr. COTE (St. Johns-Iberville-Napierville): I was paired with the hon. member for Grey North (Mr. Case). Had I voted, I would have voted to sustain the ruling of the Speaker.

Mr. HATFIELD: I was paired with the hon. member for Three Rivers (Mr. Gariepy). Had I voted, I would have voted against your ruling, Mr. Speaker.

Mr. McLURE: I was paired with the hon. member for Beauce (Mr. Dionne), Mr. Speaker. Had I voted, I would have voted against your ruling.

Mr. HEON: I am permanently paired with the hon. member for Joliette-L'Assomption-Montcalm (Mr. Lapalme), Mr. Speaker. Had I voted I would, with great regret have voted against your decision.

Mr. MACKENZIE KING: Mr. Speaker, if it is any consolation to hon. gentlemen opposite I would say to them at once that, being most anxious to see this committee appointed as soon as possible, I promise I will not take up too much more of the time of the house this afternoon. So I hope that without its being found necessary on my part to raise any question of privilege or point of order I may be permitted to continue my remarks without being interrupted too freely from the other side of the house.

Obviously, having regard to the amount of talk—if that is not an unparliamentary expression—to which we have been obliged t listen for the last week, I cannot attempt in a short time to do more than give illustrations of the sort of argument that has been presented by hon. gentlemen opposite, and to which I am expected to reply.

In the first place, I would say that in following the debate I have not been able to discover anything that was too small for hon. gentlemen opposite to take exception to; and, after saying that, may I make the further assertion that I cannot think of anything they have brought forward thus far as to which, if we had brought it forward, they would not have found an equal amount of argument to present on the opposite side. They were determined at all costs to make it as difficult as possible to have this committee appointed. They were determined to make a display before the country of several days of obstruction of the government to have it appear that the measure the government was bringing forward was not in the public interest.

As an illustration of what I have said about nothing being too small, let me direct attention to the first clause in the motion I presented for the appointment of the committee which reads:

(a) the causes of the recent rise in the cost of living.

That word "recent" has been just too much for hon. gentleman opposite. They had to take exception to it. I was astonished at the number of members who did so, and particularly at some of those who took that exception. When this house reassembled at the beginning of the new year, my hon. friend the leader of the opposition (Mr. Bracken) rose in his place and said, as reported at page 543 of *Hansard* for this year:

. . . I wish to move, seconded by the hon. member for Muskoka-Ontario (Mr. Macdonnell) the adjournment of the house under standing order 31, for the purpose of discussing a definite matter of urgent public importance, namely the sudden and unprecedented rise in the cost of living.

The hon. gentleman mentioned the "sudden rise in the cost of living." Well, when the government was drafting this motion, being anxious to gain as large a measure of support and agreement as possible from hon. gentlemen opposite, we thought it would be desirable to put in the word "recent" in order to have the motion accord with what my hon. friend felt was the most urgent matter. He was anxious that it was the recent increase that should be taken into account. May I just ask hon. members this question. Suppose the government had left out the word "recent" and the clause had read "the causes of the rise in the cost of living." What would we have heard from hon. gentlemen opposite? We would have been told that we were giving the committee an academic task, that of going into the causes of the rise in the cost of living, something which might take them back not only generations but possibly centuries; that we were deliberately trying to give the committee something to do which would take up all their time before they would get anywhere at all. I need not elaborate the point further, but I give this as an example—and it is an example which applies all along the way—of many of the points which have been raised, and to which exception has been taken and the government's motives misinterpreted and misconstrued.

Then I come to the question of recommendations, the next objection which was raised frequently—that the government had not put in a clause giving this committee power to make recommendations. Well, I would recall to hon. members what I said in introducing the motion, before anyone on the opposite side had spoken. I said the government had purposely left out that clause at this stage for the reason that we wished to have the committee get on with the work of investigating causes, that parliament and the public might know the results thereof as rapidly as possible; that had the committee been asked to make recommendations, we would have found that the time of the committee would be taken up, as is pretty obvious from the debate which has taken place here, by discussion between members of different parties as to which particular recommendation should be made, whether it would be a recommendation along the lines of my hon. friends of the Progressive Conservative party or a recommendation along the lines of the C.C.F. or along the lines of the Social Credit party, should that party have a recommendation that it might wish to make. Certainly, with a request for recommendations of this type, the time of the committee would be taken up in a discussion of which particular recommendations they should make.

I need not take much time to point out the truth of what I am saying, and of how futile that might render the work of the committee. During this debate many references have been made to the committee which was appointed in 1934 to deal with the question of price spreads. That committee was given power to make recommendations; indeed it was asked to make recommendations, and what was the result? Well, the leader of the C.C.F. party (Mr. Coldwell) has told the house what was the result of giving that committee power to make recommendations. If hon. members will look at page 863 of *Hansard* for February 4 of this year they will find the following remarks by the leader of the C.C.F. group:

> Reference has been made to the price spreads committee of 1934. I looked up the record to see how long it took that committee to make its report. On February 2, 1934, just fourteen years ago to the very day that we began to discuss the resolution now before us, the order of reference for the setting up of the committee passed this house. On February 22, twenty days later, the first meeting was held. The last meeting was on June 22, 1934. Then, as hon. members will recall, the committee became the royal commission. On October 30, 1934, the royal commission met for the first time. On February 1, 1935, one year later, the last meeting of the commission was held, and on April 9, 1935, it reported. Confirmation of what I have said will be found in the report of the commission which I have before me.

Imagine for a moment what would have happened if the government had said in this motion that the committee was to make recommendations! Would any hon. member suggest that this particular instance would not have been cited immediately by the leader of the C.C.F. and other hon. members opposite as a reason why we should not give the committee, at this stage, power to make recommendations? Does anyone suggest that we would not have been told that it would take two years before this house would get any word from the committee on which action could be taken one way or the other? Nothing could be plainer than that.

But what is even more to the point is what the hon. member himself was prepared to do with regard to one of the amendments which were before the house. It will be noticed that in the passage I quoted the leader of the C.C.F. party was talking about the committee on price spreads. He was presenting an argument showing how long it took that committee to make a report. The leader of the opposition had before the house an amendment which asked that the resolution

be amended to provide, among other things, that the committee examine and report upon—

(g) spreads between prices received by producers and prices paid by consumers.

That particular clause was left in by the C.C.F. when the hon. member for Winnipeg North Centre moved his amendment to the amendment that had been moved by the leader of the opposition. In other words, after telling this house that on the basis of the experience of the price spreads committee, it would be two years or more before we could expect any report from this committee, the leader of the C.C.F. group, as well as the leader of the government, was prepared to support—I mean the leader of the opposition—

Mr. GRAYDON: Hear, hear.

Mr. MACKENZIE KING: Well, if my hon. friend gets any satisfaction out of that, let him have it; because it will be a very long time before he will ever have any satisfaction from office.

Mr. GRAYDON: Coming events cast their shadows before.

Mr. MACKENZIE KING: Mr. Speaker, if the word "insincerity" is not unparliamentary, I should like to use it in reference to this particular action on the part of a leader of a party that will denounce the appointment of a committee with power to recommend on questions of spreads between prices received by producers and prices paid by consumers and then, when that has served his purpose, turns around and is prepared to vote with those who are in a party opposite to his own, that the committee be now given the power to report on spreads between prices received by producers and prices paid by consumers.

I hope I have made it plain also that if, as the committee pursues its investigations, it is thought advisable to have its powers enlarged so that it might be given an opportunity to make recommendations with respect to certain matters, the government will be quite prepared to consider any request of that kind at the time it is brought forward. But what we do not wish today, at the present time, is to give any excuse whatsoever to the committee for not devoting its time and attention in a thorough way to the investigation of the rise in prices and the cost of living, which is what we believe the public are most concerned about.

Another argument put forward by hon. members opposite is that I had said, speaking with respect to the price spreads committee when it was before the house—I refer to the motion to appoint a committee on price spreads in 1934—that under the Combines Investigation Act there was plenty of authority to proceed and to effect a remedy. And because I had said that in 1934 in relation to that particular committee, hon. members opposite say the government should have found enough scope at this time under the Combines Investigation Act to settle this matter of prices.

I thought I made it quite clear that the committee which was dealing with price spreads had before it an entirely different kind of problem from what we have at the present time. We may have certain aspects of that problem to deal with at this time; but at that time what the committee was trying to find out was how it was that on the one hand primary producers were being exploited because the prices they were receiving for what they were selling were being kept down, while, on the other hand, consumers were being exploited by some agencies which were keeping up prices in regard to those very same commodities which they desired to purchase. Somewhere in between there was some force at work which had the effect of accounting for that large spread. The particular kind of organization which would be found in a case like that would be in the nature of what we call a combine or merger, or an association of persons who bound themselves together to serve their own particular ends as against those of producers or consumers. That was the duty of that committee at that time—to investigate mergers, trusts and combines. And naturally, when speaking on that question, I said that there was an act on the statute books dealing with mergers and trusts, and that there was sufficient authority under that act to find out what was necessary to be found out in connection with combines, trusts and mergers.

But here, in present circumstances, we may have many causes of prices being kept up, in which the question of combines does not enter at all. Combines may be one reason for prices rising. But they are not the only reason. The government is seeking today, under the Combines Investigation Act, to find out to what extent mergers, trusts and combines are responsible for this rise in the cost of living. But we cannot stop there. We must look for everything we can discover, affecting the increased cost of living, and once that information has been secured it will not take long for this parliament to meet those conditions by legislation, if they are of a character that can be met by legislation.

The whole question then was, as Mr. Stevens himself made clear when he spoke on his motion, that the committee was ap-

pointed to look into the possible, alleged or presumed existence of a combine. That is what the whole inquiry was about. From this side of the house it has been made clear from the outset that the whole administration under the Combines Investigation Act is directed toward one specific end, namely, that of discovering combines. It is not for discovering causes of rising prices outside the Combines Investigation Act altogether.

Another criticism levelled at the government in connection with this motion is that the scope of the committee is not wide enough. Hon. members opposite say the scope is not wide enough, and there have been amendments moved to enlarge its scope. What is the scope? It is the causes of the recent rise in the cost of living. You can take it all in that one paragraph, if you like. The paragraph is all-embracing as to whatever affects the increased cost of living. Can anyone suggest any wider scope than that? To discover the cause of the rise in the cost of living, can anyone give wider scope than is contained in that one sentence where, without any limitation or without being circumscribed in any way, the committee is given power to investigate every possible cause?

A number of things have been mentioned by hon. members opposite in their amendments—policies, subsidies, and what-not. Any one of those things they have mentioned, if it is responsible for the rise in the cost of living, can be investigated by the committee under the clause I have mentioned. The purpose in introducing those amendments could not have been to widen the scope. If accepted, they would only have served to narrow it, if anything, by directing the attention of the committee to certain specific things. The committee might then have felt that it should give its time to those specific things, rather than to the all-embracing question it is asked to investigate.

So far as the subject matter of the amendments relate to causes of the increase in the cost of living, whether due to government policies, subsidies or anything else, they will be under investigation; and those matters are adequately taken care of by the first clause in the motion. These are all involved in the investigation; and to introduce other factors is simply to destroy the purpose of the motion.

No, Mr. Speaker, the amendments have not been made to enlarge the scope of the committee. They have been made to change the purpose of the investigation. The committee is to be appointed to gather facts and to get information so that this House of Commons and the country may be clearly and fully informed. But the movers of the amendments say, in so many words, "no, that is not what we wish this committee to do; we wish the committee to discuss policy. We do not want it to discover facts. We do not want this committee to obtain information; we do not want it to give us facts. As a matter of fact, we do not want the committee at all." That is perfectly clear from one motion which was put, and to which I made reference today. I hope my hon. friends opposite will not take objection if I refer to it again. The motion by the leader of the C.C.F. was to the effect that all the words after "that" in the motion be stricken out and that there be substituted therefor a certain declaration of policy or opinion which the amendment contained. In other words, the contribution made by the C.C.F. in their second amendment was to the effect that we ought to have no committee at all to investigate the causes of the rise in prices, but that any committee that might be formed should be diverted to something else altogether.

Mr. KNOWLES: Yes, action.

Mr. MACKENZIE KING: Now, if my hon. friend would just try to restrain himself. I know he likes to appear before the public from day to day by his interruptions.

Mr. KNOWLES: By your attitude you admit that we are right.

Mr. MACKENZIE KING: He is not by any means making the impression either upon the house or the public generally that he thinks his utterances make, when he interrupts other speakers.

As I have said, the purpose was not that. Another purpose brought forth clearly by some of the amendments proposed was that we should give this committee power to make policy and recommendations involving the expenditure of large sums of public money. Here again we have another example of what I was speaking of before as tendencies in this debate which are evidence of the change that is coming over the thinking of some hon. members with reference to British parliamentary procedure and practice. It is something that we ought to consider most carefully.

The rules of this house have been framed, and the practices of parliament up to the present have been framed, amongst other things, to protect the public treasury, and not to make it possible for any group in parliament to have large sums of money taken out of the public treasury because they themselves

wish to have it spent in a particular way. The whole effort of the past has been to place the responsibility for expenditures of public moneys on the shoulders of the government, and to hold the government responsible to parliament and the people for expenditures. Some of these amendments have involved a departure from what is a very sound principle of government.

Another criticism that has been made is that the powers of the committee are restricted. I have already covered that in part, in what I have said about the scope of the committee. Someone said that, unless there was power given the committee to make recommendations, there was no power in the committee at all. Here is what the motion says:

> That the committee shall have power to appoint from among its members such subcommittees as may be deemed advisable or necessary to deal with specific phases of the enquiry, and power to send for persons, papers and records, to examine witnesses under oath and to print such papers and evidence from day to day as may be ordered by the committee.

There is another paragraph to which I would particularly direct the attention of hon. members who say that the powers of the committee are restricted. This reads:

> That the committee shall have power to engage the services of counsel, accountants and other necessary assistants who shall be paid out of the appropriation for parliament.

What greater powers could be given to a committee than that? There are all the powers of a royal commission, the power to summon persons from one end of the country to the other, to engage experts to make inquiry into any phase of this question, to have highly trained accountants serve the committee in its efforts to find out what is the cause for the rise in prices. I can understand persons who, in times like the present, may have been hoarding, or who may be seeking to profit, complaining about an investigation into the questions of hoarding and profiteering; I can understand them not liking the idea of a committee that will have all the powers necessary to discover these things; from that source I can understand opposition to a committee of this kind. However, I find it difficult to discover any ground of complaint, from the point of view of the public interest, against a committee which will seek to serve the public by discovering as soon as possible what the causes are that account for the recent rise in the cost of living in our country.

One other matter. We have been told over and over again that it is action that hon. gentlemen want, not a committee. To some extent their behaviour during this last week has borne that out. They certainly have not made it easy to get a committee functioning. We have been a whole week in just trying to get a yes or no answer as to whether a committee should be appointed. What action have we had? We have had something in the nature of action from hon. gentlemen opposite, but all along it has been what might be termed "a delaying action".

When I spoke a week ago Monday I told the house that we would set apart the following week for the discussion of this measure, that we would give precedence to it over any other measure, that the government was anxious to have this committee appointed as soon as possible. What happened the week before? I had to ask hon. gentlemen opposite please to come along with the names for the committee that I had requested in a previous week. I should have said that, as soon as the house reassembled in the New Year, I gave my hon. friend, the leader of the opposition, the assurance that we would appoint this committee within a week. I said, first of all, "possibly in two weeks." I knew from the past that hon. gentlemen opposite have been accustomed to delaying a little the sending in of the names for committees, and that has proved to be true again in this case. The leader of the opposition said, "No, we must have this in a week." I said, "All right, let us have it in a week, but before it can be set up within the week we have to have the names for the committee." I had to ask hon. gentlemen please to hurry along with the names so that we could go along on Monday with setting up the committee.

What happened on Monday when the motion was introduced to set up the committee? I proposed to give the motion precedence all through the week, but hon. gentlemen took exception to my effort in that regard. They raised objection to the discussion on the appointment of a committee from being gone on with on the following day. Well, we did manage to keep the debate going for four days in the past week, through yesterday and up to the present time. This whole matter might have been settled on Monday afternoon, over a week ago, but here we are on Tuesday of the following week still seeking a simple yes or no answer to the question of appointing a committee to investigate the rise in prices.

I say again that the action of hon. gentlemen opposite has been definitely a delaying action. The responsibility has not been that of the government; the responsibility is that of those who, up to the present time, have made it difficult to get this committee appointed. As I have already said, if hon.

gentlemen of the C.C.F. had had their way there would have been no committee at all. Their amendment was to the effect that the entire motion should be struck out and something else substituted in its place.

Let me come now to a further criticism. We have been told that the government's action has been evasive, that there has been inaction and that we are responsible for that. Let me say that if there has been any evasion or inaction the blame is not on the shoulders of the government; it is squarely on the shoulders of hon. gentlemen opposite.

We have been told by the leader of the C.C.F. that he was angry; we have been told by him and others that the public were angry. May I say that I do not think that anger is an argument or an answer to anything. I am quite prepared to admit that hon. gentlemen opposite have shown many signs of anger and displeasure, but I would say that so far as the public is concerned the anger is not against the government; it is very much against those who up to the present have been making it as difficult as possible for the government to get this committee appointed.

I want to give my C.C.F. friends and some other hon. gentlemen opposite something to think about in the next few days. If they listen to a statement I have here they will probably take it from the source from which it comes when they might not be prepared to take it from myself. No doubt some of them have already seen what has been appearing in many of the journals of this country with regard to their attitude in this debate. Let me just repeat what I have said. I have had conversations with a great many people during the course of this last week, and particularly at the beginning of this week. I have been asked, why this waste of public money? When is this waste of the time of parliament to cease? These people have said, "Surely it is possible for the house to make up its mind whether it wants a committee to investigate this matter without talking day after day to debate this question, delaying the consideration of other questions already on the order paper and others still to come.

I hold in my hand one editorial; I give it as a sample; I cite this particular editorial because I do not think anyone in this House of Commons will accuse me of having inspired the source from which this editorial came. It is an editorial from the Toronto *Globe and Mail,* of date February 6, 1948. The heading of the editorial is, "Evasive Inaction", the very words that hon. gentlemen opposite have been using. They say the government is seeking to evade. They have been accusing it of inaction and so forth. In order that I may not be accused of omitting any significant clause in the editorial, I should like to read the whole of it to hon. gentlemen opposite and in particular to the members of the C.C.F. party. The editorial, as I say, is entitled, "Evasive Inaction". It reads as follows:

> Opposition groups in the commons failed, during the debate on the parliamentary price probe committee, to achieve acceptance of several amendments. Some of these probably had merit. But the government's refusal to accept them is no excuse for the boycott of the committee threatened by the C.C.F. leader. Whatever else may be its defects, the committee, with all the authority of a commission, is empowered to examine and report on "the causes of the recent rise in the cost of living." This can mean a lot or little, depending on the diligence and initiative shown by the committee. There are here surely no barriers to full examination into those charges of profiteering and other abuses of the short supply situation in consumer goods, which have been flying back and forth across the country.
>
> It is perhaps significant that the loudest cries about the "ineffectiveness" of the committee have come from the same quarters that have had the most to say about profiteering and other excesses. Mr. M. J. Coldwell, national leader of the C.C.F. party, is the chief advocate of the boycott—"We are going to be no party to this manoeuvre." He was also the author of the assertion that Canadian packing companies would make an "unearned increment" of $10,000,000 out of the meat price rises in early January.
>
> If Mr. Coldwell is not trying to escape the obligation of proving this latter statement, he should be willing and eager to give the committee a chance to demonstrate its effectiveness or lack of it. His course is simple. He can go before the committee at the earliest possible moment, restate his charge and bring forward the evidence to support it. If the parliamentary committee is, as he implies, an instrument of evasion, the nation will not be long in finding this out.
>
> As matters stand it would seem that Mr. Coldwell and his followers are attempting to avoid the penalty for having talked too much by talking some more. If they are prepared to make good on their allegations of profiteering, they need not be fearful of the inadequacies of the committee. We venture to suggest that, lethargic as it has been on many things, parliament, when prodded by a convinced public opinion, will readily make good any shortcomings which may be found to exist.

I recommend that editorial as a sample of editorials which are appearing right across the country today, as evidence of what public opinion is asserting in this country today. The people are tired of having members of parliament seek to thwart a measure that will throw light on the question that, above all others, they wish to have investigated, which is what they want and what they recognize will be most effective of all in this matter.

As I said at the beginning of this debate, there are some evils that publicity will cure which penalty will never cure, and there are none of that category which will disappear before an informed public opinion more quickly than anti-social evils, such as profiteering and hoarding at times like the present; the very evils which this committee is being appointed to investigate.

As against the attitude taken by hon. gentlemen opposite in this debate with respect to the appointment of a committee to investigate the cost of living and the rise in prices, may I give to the house the attitude of the Liberal party in regard to the two other large investigations on the cost of living and prices which have been held in previous parliaments. Two committees have been referred to repeatedly in this debate, and my remarks in regard to what was said in discussion of these committees have been frequently quoted. I notice that, in all these quotations, hon. gentlemen opposite were very careful not to quote the really important part, namely, the attitude of the Liberal party toward the appointment of a committee. They did try to construe other parts as having a different meaning from what they were ever intended to have. But the position of the Liberal party in regard to both of these committees is quite clear. The first committee was appointed in 1919. Sir Thomas White, who was then minister of finance in the Conservative government of the day, moved for the appointment of a committee to study the question of the cost of living. That motion was brought forward and it was carried unanimously. There was not the loss of a day; there was not the loss of an hour. The matter went through this house in accordance with what the house believed at that time was the wish and feeling of the public in a matter of this kind. The feeling today is just the same as it was then, and many of the reasons for the committee are just the same as they were at that time.

What about the price spreads committee of 1934, which was moved for by Mr. Bennett? That is the debate from which, to a greater or lesser extent, my remarks have been quoted. Let me give the house exactly what I said in speaking in that debate on the appointment of a committee to investigate. I quote from *Hansard* of February 2, 1934, at page 217, in the debate on the appointment of the price spreads committee:

> May I say a further word in order that there may be no misunderstanding of my attitude or of that of the party on this side of the house? We have repeatedly stated—and indeed the legislation that has been introduced under the former Liberal administration shows the evidence of our belief—that we believed there are many evils of a class which publicity would do more to cure than penalty. Certainly evils which are in the nature of anti-social practices, if that term may be used to cover what I think we all have in mind, namely, the kind of thing that enables the mean man to profit by virtue of his meanness, are perhaps more effectually cured by publicity than by aught else. Anything which will throw light upon these anti-social practices is, I believe, wholly in the public interest. Certainly the kind of practices set forth in the resolution as introduced by the government, constitutes a class of evils from which this country is today suffering to a great degree in common with other countries throughout the world. I doubt very much if there is a single evil that more affects the well-being of consumers than those agreements which artificially fix or control prices and one way or another restrict and hamper trade. The internal trade of our country has become honeycombed and enmeshed by secret understandings and agreements. So far as the Liberal opposition is concerned, we heartily welcome anything that will throw light upon this class of evils. I can say for the official opposition that its members will join very cordially and wholeheartedly with the Prime Minister and his friends in endeavouring to make the investigation just as thorough as it can possibly be made.

That is what the government is seeking to do today, to have a committee appointed which will make an investigation, as thorough as it can possibly be made, into this great question.

Hon. gentlemen opposite have helped to make it as difficult as possible to get this committee appointed. It is now for them to say what their attitude is to be when it comes to a vote on this question. Let me tell hon. gentlemen immediately that they will have an opportunity to vote on this question. I should say again the government is asking this house, and asking everyone in this house, to assist it in appointing a committee to investigate the recent rise in the cost of living. The government intends to appoint that committee regardless of any attitude taken by the opposition to obstruct it. We do hope that, in the end, all will join and do their best, as we believe the country will wish us all to do, in furthering the work of this committee. But if they are not prepared to do that, they will be answerable, not to the government, but to parliament, to their constituencies, and to the people whose interests we are here to serve.

The house divided on the motion (Mr. Mackenzie King) which was agreed to on the following division:

YEAS

Messrs:

Arsenault	Benidickson
Beaudoin	Bertrand (Laurier)
Beaudry	Bertrand (Prescott)

Bertrand (Terrebonne)
Blanchette
Boivin
Bonnier
Bourget
Breithaupt
Brown
Brunelle
Caouette
Chevrier
Claxton
Cleaver
Coté (Matapedia-Matane)
Coté (Verdun)
Cournoyer
Croll
Cruickshank
Dechene
Denis
Dickey
Dion (Lake St. John-Roberval)
Dorion
Douglas
Emmerson
Eudes
Fair
Farquhar
Fontaine
Fournier (Hull)
Gagnon
Gardiner
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gibson (Hamilton West)
Gingues
Gladstone
Glen
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Gregg
Hallé
Hamel
Hansell
Harris (Grey-Bruce)
Hartt
Hlynka
Howe
Isnor
Johnston
Jutras
King, Mackenzie
Kirk
Kuhl
Lacombe
LaCroix
Lafontaine
Lalonde
Langlois
Lapointe
Laurendeau
Leger
Lesage
Little
Low
McCann
McCubbin
McCulloch (Pictou)
Macdonald (Brantford City)
McDonald (Parry Sound)
McIlraith
McIvor
MacKinnon
MacLean
MacNaught
Maloney
Marier
Marquis
Marshall
Martin
Matthews (Brandon)
Maybank
Mayhew
Michaud
Mitchell
Mullins
Mutch
Nixon
Parent
Pinard
Pouliot
Quelch
Reid
Richard (Gloucester)
Richard (Ottawa East)
Robinson (Simcoe East)
Ross (Hamilton East)
St. Laurent
Shaw
Sinclair
Sinnott
Smith (York North)
Stuart (Charlotte)
Tremblay
Tucker
Viau
Warren
Weir
Whitman
Winkler
Winters—119.

NAYS

Messrs:

Adamson
Archibald
Argue
Aylesworth
Barrett
Bentley
Black (Cumberland)
Black (Yukon)
Blair
Boucher
Bowerman
Bracken
Bradshaw
Brooks
Burton
Campbell
Casselman
Castleden
Church
Daniel
Diefenbaker
Drope
Ferguson
Fleming
Fraser
Fulton
Gillis
Graydon
Green
Harkness
Harris (Danforth)
Hazen
Henderson
Herridge
Hodgson
Irvine
Jackman
Jaenicke
Kidd
Knight
Knowles
Lennard
Lockhart
McCuaig
McCullough (Assiniboia)
Macdonnell (Muskoka-Ontario)
MacInnis
McKay
McMaster
MacNicol
Manross
Matthews (Kootenay East)
Menary
Merritt
Miller
Moore
Murphy
Nicholson
Pearkes
Probe
Robinson (Bruce)
Ross (St. Paul's)
Ross (Souris)
Senn
Skey
Smith (Calgary West)
Stanfield
Stephenson
Stewart (Winnipeg North)
Stokes
Strum, Mrs.
Thatcher
Timmins
Townley-Smith
Tustin
Webb
White (Hastings-Peterborough)
White (Middlesex East)
Wright
Zaplitny—80.

Mr. JEAN: I was paired. Had I voted, I would have voted for the motion.

Mr. ABBOTT: I was paired with the hon. member for Stanstead (Mr. Hackett). Had I voted, I would have voted for the motion.

Mr. CLARK: I was paired with the hon. member for Kent, Ontario (Mr. Desmond). Had I voted, I would have voted to support the motion.

Mr. COTE (St. Johns-Iberville-Napierville): I was paired with the hon. member for Grey North (Mr. Case). Had I voted, I would have voted for the motion.

Mr. HATFIELD: I was paired with the hon. member for Three Rivers (Mr. Gariepy). Had I voted, I would have voted against the resolution.

Mr. McLURE: I was paired with the hon. member for Beauce (Mr. Dionne). Had I voted, I would have voted against the motion.

Mr. HEON: I was paired with the hon. member for Joliette-L'Assomption-Montcalm (Mr. Lapalme). Had I voted, on the principle that half a loaf is better than no bread, I would have voted for the motion.

FOREIGN EXCHANGE CONSERVATION

PROHIBITION OF CERTAIN IMPORTS AND PROVISION FOR IMPORT QUOTAS AND PERMITS

The house resumed from Friday, January 30, consideration in committee of Bill No. 3, respecting emergency measures for the conservation of Canadian foreign exchange resources —Mr. Abbott—Mr. Macdonald (Brantford City) in the chair.

On section 1—Short title.

Mr. MACDONNELL (Muskoka-Ontario): Is the minister going to make a statement, or is he going to give the information which was asked the other evening and which I think he said he would furnish in due course; that is to say, the question asked originally by the hon. member for Stanstead with regard to changes in the fund? I think the minister will remember that.

Mr. ABBOTT: I recall that the hon. member for Stanstead asked what portion of our exchange reserves, the figure I gave to the house, was represented by gold and what portion by United States exchange.

Mr. MACDONNELL (Muskoka-Ontario): Yes, and I believe the minister said he would give a breakdown. That is what I understood.

Mr. ABBOTT: That is right. I do not know that I have the figure here at the moment. I was not quite sure that we would be going on this afternoon, but if I do not have it now I shall give it this evening. I have the approximate figures in my head, but I had better give the exact figures.

Mr. MACDONNELL (Muskoka-Ontario): Mr. Chairman, we have been jumping about so much from subject to subject, and it is so long since we had our minds addressed to this bill, that I think it would be desirable for me to recall the general background to the minds of hon. members before I begin to ask questions about the bill and comment on its details. I want to lay the foundation for some questions I wish to ask.

First, I should like to recall to hon. members that when this matter was brought up last autumn we were here for the so-called emergency session. During that session we jumped about from bill to bill, as we have been doing this session. I agree with what was said by the hon. member for Cape Breton South the other evening, that this jumping about from bill to bill is very confusing; and for that reason, as I say, I should like to take hon. members back to the reasons for this bill and the arguments which have been addressed to the house up to the present.

In the first place, we remember that the bill is to meet an emergent shortage of United States dollars. We have suggested here that there was great delay on the part of the government; that what was originally a small cloud was allowed to grow until finally it darkened the whole sky.

We had this bill before us in December. We looked at it; then it was removed from our sight, and we did not have another look at it until we came back here a little more than a fortnight ago. Since then, we have gone on with a three-ring circus—this bill, the cost of living debate, and from time to time that poor despised debate on the address. So for a moment, as I say, I should like to recall the seriousness of the problem with which we are dealing.

We recall that the shortage of United States dollars goes to the very root of our economic life; that if we do not have United States dollars with which to buy necessary goods we face unemployment and all kinds of undesirable and difficult things. We say and have said—and I only mention it in passing, without dwelling on it—that in the main, if not exclusively, this was due to government mistakes. We say things were going along reasonably well in June, 1946, when the government decided to return to parity with the United States dollar, and that it was the decision then made which started a perfect avalanche of United States dollars from this country, to the point that last November the situation became so dangerous that the government was constrained to act.

I want to say a word about the debate. In one way I think it has been very disappointing. Apart from the ministers' speeches I think the government side contributed some fifteen minutes to the debate, or about two minutes a day. I quite realize that a government desiring to get business done does not encourage its own members to speak much, but it seems to me a great public loss that those who represent a very large section of the community should not be allowed to intervene at all in this debate. It seems to me that the process whereby a government, in order to expedite business, has muzzled its own members has been carried to a very injurious extent. As a matter of fact, in addition to muzzling its own members the government would like to muzzle us a bit. As I say, I can quite understand that governments dislike talk unless it is done by themselves, because talk is apt to produce criticism, and naturally governments do not want criticism. In passing, it does seem to me one

might point out that this tendency on the part of government members to sit in the House of Commons in silence—

The DEPUTY CHAIRMAN: Order. I hope my hon. friend is not now going to make a second reading speech on section 1 of the bill.

Mr. MACDONNELL (Muskoka-Ontario): No, Mr. Chairman, I assure you I am not. I am just laying a foundation for one or two questions I wish to ask, and I shall be brief. I was just saying it seemed to me that under our system of government, with all its advantages, we are running a great danger of so denaturing the members on the government side of the house that we lose the undoubted advantage they have in the United States, where the legislative side has much more authority than we have here. Perhaps it has too much authority there, but here I think the executive side has grown out of all proportion to what was originally intended.

I come to the minister's speech. He said the principle of the bill is a very simple one, namely the use of import restrictions to conserve United States dollars. Then he went on to say that one might quarrel with details, but that surely no one could quarrel with that principle. I deny that that is the principle. His statement is correct so far as it goes; but I suggest that it is only a partial statement and that it leaves out what is the most important, or, at any rate, a very important and objectionable feature of the bill, namely the arbitrary powers given to one man.

That is a principle we find now in peacetime in a bill before the committee, and it is a profound misfortune that it has not been discussed at greater length. It is a profound misfortune that the government has been led into a measure of this kind. I find it difficult to believe that the Prime Minister, with his background, could in his heart be in favour of legislation of this kind. I am sorry he is not in his seat at the moment, but I should like to read—

The DEPUTY CHAIRMAN: Order. I believe I should remind the hon. member that the principle of the bill was dealt with on second reading and supported by a vote of the house. I should hope that the hon. member would now direct his attention to the sections of the bill, the first of which deals with the short title.

Mr. MACDONNELL (Muskoka-Ontario): I bow to your ruling, Mr. Chairman, but I submit that a practice has grown up whereby we have been allowed a great deal of latitude on section 1. I have heard that argued in the house on many occasions in the comparatively short time I have been here; and it seems to me that, while the rule has always been stated, the rulings have been somewhat lenient. As I said a minute ago, I am really laying a foundation for some questions I should like to ask, and I can assure the committee that I shall not be long.

I believe it is important for us to have in our minds the great objection which this party has—and I hope it is shared by others—to the arbitrary powers the bill gives to one man. That is something we must keep in mind when we are dealing with these schedules; our whole judgment of what is contained in the schedules and in the bill itself must be affected by that objection.

I was about to say that I find it difficult—and I wish the Prime Minister were here so that he might speak for himself—to believe that the Prime Minister, with his background, could really believe in this. I should like to read briefly from a broadcast made by the Prime Minister during the 1935 election campaign. In his speech on July 31 of that year he said:

> It was not until someone began to preach the doctrine that parliamentary methods were not suited to these times; that the constitution was an obstacle to progress; that shorter and swifter methods were necessary to obtain results even if they involved sweeping aside parliamentary restraints, and over-riding the constitution, that in Europe parliaments and democracies alike began to disappear. Have we not all heard this very sort of language from Mr. Bennett, Mr. Woodsworth and Mr. Stevens?

And so I wish to make the point that the real principle of the bill, or at any rate a real principle of it, is its arbitrary power. The minister will no doubt say that flexibility is desirable.

Mr. ABBOTT: On a point of order, I must challange the statement that the principle of the bill is the use of arbitrary power.

Mr. MACDONNELL (Muskoka-Ontario): I said "a principle".

Mr. ABBOTT: That may be a criticism of it; but the principle of the bill on which the house has voted is the principle I set out in closing the debate; and I do not think we should at this time rehash all the points dealt with on second reading, nor do I expect the hon. member for Muskoka-Ontario intends to do that. If my submission is correct; he was quite out of order in reading the quotation. I did not wish to interrupt him; but if he is allowed to do that, then every member in the committee can be allowed to read copious

quotations on the theory of parliamentary government. I do not believe that would be proper in the committee stage.

The DEPUTY CHAIRMAN: The principle is not to be discussed when the bill is before the committee; that has been dealt with on second reading when the vote is taken. I believe hon. members generally would like to make as much progress as possible in dealing with this bill. From time to time we have heard many complaints about the rules of the house, and have heard suggestions as to how they should be changed so as to speed up the business of the house. I believe that if we were to abide by the rules of the house as we now have them we could speed up the business of the house very considerably. If one member were permitted to discuss the principle of the bill, then every member would have the same opportunity. I should hope hon. members would not wish to do that.

Mr. MACDONNELL (Muskoka-Ontario): I quite agree with you, Mr. Chairman, and I would point out that I was not discussing the principle of the bill. Rather, I was correcting a misstatement the minister had made respecting its principle.

Mr. ABBOTT: Or what my hon. friend thought was a misstatement.

Mr. MACDONNELL (Muskoka-Ontario): At any rate, I have finished that now, and I shall take very little more time. I do not believe what I shall now say has to do with the principle, but it is related to the practice or working out of the bill. I should like to point out what will happen when we begin to work it out—and surely that is a question of detail.

We have before us a most extraordinary power given to a minister—and I shall not take the time to read it. Hon. members will recall, however, that the minister can really make and unmake regulations; he can do anything he likes. I should like to picture briefly what will happen to the business community of this country. In the first place, one has to explain—maybe the government will make a point of it—why there has been so little opposition in the public press and so little complaint made by businessmen. I suggest the reason is that they are afraid.

We all know that the ordinary banker stands in a good deal of awe of the governor of the Bank of Canada, and is careful of what he says. In the same way we have here a man who is able to make and unmake business. Let me picture what would happen and the unfairness of this thing. It is not so bad

for the big businessman who can come to Ottawa and, if you like, have breakfast with the Minister of Trade and Commerce, and at that time put his case before him. Or, if he finds the minister is not very receptive, he can have an appointment later in the morning with the Minister of Reconstruction and Supply. Then, if he finds he does not get very far with the Minister of Reconstruction and Supply, perhaps he can have lunch with the Minister of Mines and Resources. If that minister is hostile he can have an appointment in the afternoon with the Minister of Transport; and perhaps in the evening, before leaving, he might have a "coke" and ginger ale with the minister of housing.

That is what happens to the man who knows his way around. He is the big fellow who comes to Ottawa. But what happens to the little man? He does not know his way around. In the first place, the expense of coming here offers considerable difficulty. And so we have a situation, which probably was never intended, where he will not be able to have breakfast or lunch with a minister, or have a "coke" or ginger ale with him, or with any of the ministers who occupy the seat in which the Postmaster General is now sitting. That man will be out of luck.

I suggest that is one of the incidents of this legislation. I am sure the minister agrees with me on that, although he may not say so. Incidentally, if I may refer to one further statement by the minister, I believe it will be seen by anyone who reads his speech carefully that the minister was most careful not to say one word in support of this arbitrary power.

There is just one further point I wish to make before asking my questions in detail.

The DEPUTY CHAIRMAN: If the hon. member would wait until we reach section 6 he would find that that subject deals directly with ministerial powers, and it would be proper for him to speak on that subject at that time. If there is no objection to carrying the title, we could do that and then go on to the clauses.

Mr. MACDONNELL (Muskoka-Ontario): I am getting near the end of my remarks if you will give me permission to proceed. I submit to you with deference that it will be found during similar debates in the last couple of years that almost every time the unfortunate hon. member who begins, as I am beginning this debate, has had to undergo a good deal of friendly barrage from the Chair, but that nevertheless the Chair has exercised a certain amount of benevolence toward him.

The principle so far as I can make out has always been more honoured in the breach than in the observance.

There is one other point which I wish to make and which I think is important, although it has not exactly to do with the working of the bill. It is simply background for the questions which I am working up to and which I want to ask the minister. I think you will agree, Mr. Chairman, that it is not cynical to suggest that this arrangement whereby people have to come to Ottawa, not to get their rights by reason of law but to get their rights by reason of the favour of this many-sided or multilateral minister is one which places them in a difficult position. It is not human for a man to come here and get the permission which he wants and go away and feel evilly disposed toward the minister or toward the party to which the minister belongs. That is just not human nature. I think we should put it on record that this is a perfectly magnificent way to obtain political support. Indeed it does not need much imagination to reach the conclusion that if this kind of thing goes on long enough a situation will arise which might be very desirable for the government. That is, if you had enough power of this kind in the hands of the government it would be almost impossible to defeat the government. It would be like the fascist governments with which we are all so familiar. You would have too many people afraid to speak their minds: you would have too many people becoming just yes-men, and in the end you would find an absolute breakdown of our whole system of government.

I try to use moderate words when I am speaking on a subject of this kind, even though I may not on other occasions, but I think that making the whole business subject to one man is one of the most dangerous and objectionable things which have faced this House of Commons for many days. It is simply war mentality being carried on into peace and I think it is most undesirable.

Mr. ABBOTT: Would my hon. friend permit me to interrupt for a moment? I want to move that the committee rise before six o'clock in order that I may move certain changes in the personnel of the committee which has just been set up.

Mr. MACDONNELL (Muskoka-Ontario): I wish to make just a few comments about the details of the bill. In the first place, we want to know what the bill is. We understand that a good many changes have been made in it. We know there have been some and we understand that there have been many more. It seems as though the government—and perhaps we should not be too unsympathetic toward them—just dumped everything in. I think that is what the government did in their hurry, or perhaps in their panic. Since then, they have been giving the matter a more careful look and they have taken out certain things. I hope the minister will now—not later—give us a full statement of the schedules with any changes which have been made. Would it be possible for the minister to do that at eight o'clock?

Mr. ABBOTT: I have the revised schedules ready. I had thought that I might put them in when we were considering the schedules themselves in the interests of order, but I am quite willing to meet the wishes of the committee on that. While I am on my feet—and I am sure my hon. friend will not object to my answering his question now—may I say that these schedules were not prepared, as he has suggested, in twenty-four hours, nor was everything dumped into them. They represented months and months of work by a competent interdepartmental committee.

Mr. MACDONNELL (Muskoka-Ontario): I did not say how long the dumping process went on.

Mr. ABBOTT: I hope none of us desire to have the reputation of being either a mule or a jellyfish. Obviously changes had to be made when it was shown that it was necessary that they should be made. Because of the very nature of things, advance notice could not be given of these proposals and business could not be consulted to see how they might affect particular trades. My own surprise is that it has been found necessary to make so few. I want to contradict as strongly as I can any intimation that these are hastily considered schedules.

The hon. member for Stanstead (Mr. Hackett) asked how much of our holdings of gold and United States dollars, aggregating $513,884,563, as announced on January 29, was in gold. The answer is that $296,008,031 was in gold. I move that the committee rise, report progress and ask leave to sit again this day.

Mr. MACDONNELL (Muskoka-Ontario): When the committee meets this evening will the minister tell us whether there were any unusual transactions, any windfalls, in the gold situation, whether any gold came in

from some unexpected sources outside of the North American continent?

Mr. FRASER: The minister is going to give us a list of the things that have been taken off. Will he also give us a list of the things that have been put on?

Mr. ABBOTT: At eight o'clock I intend to produce schedules which I shall ask to have substituted for those which appear in the printed bill.

Progress reported.

PRICES

CHANGE IN PERSONNEL OF COMMITTEE

Hon. DOUGLAS ABBOTT (Minister of Finance): If I might have permission to revert to motions I should like to move:

That the name of Mr. MacInnis be substituted for that of Mr. Knowles, and the name of Mr. Irvine be substituted for that of Mr. Nicholson and the name of Mr. Harkness be substituted for that of Mr. Smith (Calgary West) on the special committee appointed by this house to examine and report on increases in the cost of living.

Motion agreed to.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

FOREIGN EXCHANGE CONSERVATION

PROHIBITION OF CERTAIN IMPORTS AND PROVISION FOR IMPORT QUOTAS AND PERMITS

The house resumed consideration in committee of Bill No. 3, respecting emergency measures for the conservation of Canadian foreign exchange resources—Mr. Abbott—Mr. Macdonald (Brantford City) in the chair.

On section 1—Short title.

Mr. MACDONNELL (Muskoka-Ontario): When the house rose at six o'clock I was just about to conclude some general remarks which I had made and which I explained were made with a view to laying the foundation for some questions that I wished to ask. I said that a good many changes had been announced in the schedules, and the minister intimated that there had been some. He is going to give us information regarding them. I hope he will be able to give us several copies of that information.

The minister took me to task for suggesting that the schedules, and the bill itself, had been put together in a hurry. He explained that it had actually taken several months. I do not know that I committed myself to any time limit. I said I thought things had been dumped into it. I suppose if they were several months at it there was a lot of time to dump things into it. There have been some changes. The minister said that the changes will be listed and we shall know more about them when he gives us detailed information. I hope he will tell us something in particular about the regulations. I understand that the regulations with regard to the entry of capital goods have caused a good deal of difficulty. First of all, I understand that it was proposed to deal with these by individual permits. I heard a little bedtime story. I understand that certain people came down asking for permits. One was that of a happy family where there were a son and a daughter. The little girl wanted a party dress. That was considered non-essential; therefore she could not have it. On the other hand, the boy wanted a winter coat. That was considered essential; therefore he could have it, and that was the principle which should be followed in the case of the permits. I understand that they found it was difficult to deal with them individually and eventually—perhaps I should say now—they are—

Mr. ABBOTT: That class of goods is not under permit.

Mr. MACDONNELL (Muskoka-Ontario): Perhaps the minister will have more to say about that later. The way it came to me was this. It was proposed to deal with these things under permit; now they are treating the whole lot by classification. The minister will no doubt tell us about that.

The CHAIRMAN: I wonder whether the hon. member for Muskoka-Ontario would reserve his remarks on the regulations until we reach section 5, which deals with regulations governing the issue of permits for goods in schedules 2 and 3.

Mr. MACDONNELL (Muskoka-Ontario): I do not propose to make any extensive remarks on that. I was trying to recall to our minds just what the particular situation is with regard to this bill before we proceed to go into the details.

The questions that I want to ask are these—I have already asked one of them, and the minister is going to answer it—what changes have been made in the schedules? Perhaps we might deal with that now. Before the minister answers I should like to make this general suggestion to him. I think that, until we get the schedules in their final form, we

really do not know what we are talking about. I am sure the minister agrees with that. The other thing I want to suggest is that in giving us these altered schedules, which I believe the minister is going to do, he should go through them with us so that we shall understand them. He should draw attention to the changes and let us know in a general way the causes of those changes. I realize that might take a little time, but after all, this is an important matter. People's businesses are being affected. Men are being snuffed out of their businesses because a certain item is in here or not in here, as the case may be. Therefore I am sure the minister will agree that we should take time now to go through these schedules, and I hope that he may have several copies of the new schedules. I would ask him to go through them in some detail, and after that I have other questions that I should like to ask.

Mr. ABBOTT: First, on the question of the schedules, I think the appropriate time to go through the schedules is when we come to them and consider them in detail. Before the dinner recess my hon. friend asked me to state at this stage, when we are on section 1, what the changes were, and I readily agreed with that, because I think it is important that before we come to the schedules the committee should know in detail what these changes are.

Of necessity, to outline in committee what the changes are is a bit difficult because we have adopted the tariff item technique, if I may so describe it, of indicating the articles which are on the prohibited list in schedule I, on the quota list in schedule II, and on the permit list in schedule III. The changes which have been made are not particularly extensive. They consist almost entirely of taking items from the prohibited list and placing them in the quota list. In other words, there has been relaxation from the original arrangement of schedules I, II and III. Perhaps the most useful procedure for me to follow, so far as the committee is concerned, would be for me to place on *Hansard* the details of these changes. Schedule I, which is the schedule containing the prohibited items, has been changed by the deletion of certain items, and the following items are to be deleted. I could enumerate them, Mr. Chairman, but they are a list of tariff items. The bulk of them have been transferred from schedule I to schedule II. It might be more useful to the committee if they were placed on *Hansard* this evening; then they could be studied by hon. members, and we could consider them in detail if we wished to do so. For example, tariff item 26, "coffee, roasted or ground, and all imitations thereof and substitutes therefor, including acorn nuts, n.o.p." has been removed from schedule I and, I believe, is being transferred to schedule II. I cite that simply as an illustration. I think it would be in the interests of more expeditious and efficient discussion of these items if I were to place them on *Hansard* and allow hon. members to study them in the meantime before we come to detailed consideration of these schedules.

I agree with my hon. friend that we should take all the time that is necessary or desirable in considering these various items, but with the permission of the committee I think it would be well if I placed these changes on *Hansard,* because I am not asking that schedule I be repealed and a new schedule be put in place of it. From the point of view of procedure, I shall move at the appropriate time that these changes be made in these schedules, but for the convenience of the committee I suggest that I might place on *Hansard* the proposed changes—

Mr. BENTLEY: Does the minister not think it would be better, or at least be more convenient for us, if we had a complete new set of schedules printed with a new bill than to expect us to go through them when they are placed on *Hansard* and check them with the schedules here?

Mr. ABBOTT: I could do that very easily, but that would not indicate to hon. members the changes that had been made, and I assume that is what the committee would want. I shall place on *Hansard* tonight the proposed changes, and then by going down schedules I, II and III we can see what the changes are. For instance, I could go through schedule I of the bill as it now appears and say that item 26, which appears on page 6, has been deleted; that item 29 on page 6 has been deleted; that item 104a on page 7 has been deleted. But in most cases the items which have been deleted from schedule I are being placed in schedule II, which is the quota schedule. At the dinner recess I discussed the matter with my officials, and it seemed to us that if I put on *Hansard* the deletions from schedule I, the additions to schedule I, the items taken out of schedule I and added to schedule II, that is the quota schedule, and the additions to schedule II as well as the additions, if any, to schedule III, the committee would then be able to see, by comparing that list with the schedules as they are printed in the bill, just what changes have been made since the bill was introduced. I am in the hands of the committee and I shall do it in the way that is deemed most convenient.

Mr. MANROSS: Would the changes in *Hansard* show where the items are transferred to?

Mr. ABBOTT: Yes. The method is to use the tariff item technique, and all tariff items are numbered, so that if you look at tariff item 26, which is deleted from schedule I, and look in the list of items added to schedule II and see that item 26 is placed in schedule II, it at once appears that the item has been transferred from schedule I to schedule II. It sounds complicated, I know, but I really think that would be the method which would prove most useful to the committee.

Mr. MANROSS: It would be easier if it were noted, "transferred from schedule I".

Mr. MACDONNELL (Muskoka-Ontario): As I understand it, by putting it on *Hansard* the minister means handing the document to the reporter without reading the items, and we shall know nothing more about it until we see it in *Hansard* tomorrow morning.

Mr. ABBOTT: Tomorrow afternoon we shall be resuming the debate on the address, and it seemed to me that tomorrow would give hon. members an opportunity to analyse these changes and to be ready on a subsequent occasion to discuss them. I can summarize the changes that have been made. There have been fifteen changes in schedule I, seven in schedule II and three in schedule III.

Mr. MACDONNELL (Muskoka-Ontario): That is not a formidable list, but it seems to me that we can study these items much more intelligently afterwards if the minister would now take time to go through the list, picking out those that are changed and giving us briefly the reasons for the change, and when we come to *Hansard* we shall have the whole story. In the end it would save time. I suggest that if we know in advance the reasons it may save a lot of unnecessary questions later on.

Mr. ABBOTT: Broadly speaking, the reasons can be summarized in this way. The items in schedule I, the prohibited list, which are transferred to schedule II, have been transferred because these are the items of which there are substantial exports from the United Kingdom or sterling areas, which exports it is desired to encourage. It has been found possible to transfer these from the prohibited list to the quota list. That is one of the main reasons why, after looking into all the various circumstances, it has been found desirable and appropriate to transfer items from the prohibited schedule to the quota schedule. That perhaps is the principal reason. There may be special reasons for special items: for instance, toilet soap and castile soap. Castile soap, as I suppose many members know, comes from France. France is a country to which we have made advances and we are anxious to stimulate trade with that country. It has been found possible to transfer that item from the absolutely prohibited list to the quota list. I am using that by way of illustration. Without going into details, the tariff items which have been transferred from schedule I are: Coffee, roasted or ground—

An hon. MEMBER: Would the minister give the numbers?

Mr. ABBOTT: I think it would be helpful if I put this on *Hansard*. I will summarize it first: coffee, roasted or ground; coffee, green; toilet soap; castile soap; shoe blacking—we get a lot of shoe blacking from the United Kingdom, the kind we used to get during the first war—toilet or dressing combs. Torpedoes, firecrackers and fireworks of all kinds, paintings in oil or water colours and pastels are deleted entirely from the schedule. At present these are all on the absolutely prohibited list; but we found on inquiry, and following representations, that a good many paintings and works of art were exported to this country by dealers in the United Kingdom in particular and that there was a very large volume of tourist purchases of these items. It was clear that, on balance, we gained more dollars by allowing imports of that specialty product, if I may so refer to it, into Canada and removing it from the prohibited list. I am using that as an illustration. Only a few items have been added to the prohibited list. It is really a change of wording. It is in the paper group: papers and paperboards or fibreboards the surface of which is in two or more colours or is embossed or otherwise decorated. Empty containers wholly or partially manufactured from paperboards or fibreboards having affixed thereto paper the surface of which is in two or more colours, or is embossed or otherwise decorated.

These descriptions are rather technical and if we go through them one by one I can give to the committee the explanations for the changes. I have indicated, without giving the tariff item numbers, the items which have been deleted from schedule I, that is the prohibited list, and the majority of the items which have been deleted from schedule I have been included in schedule II, the quota list.

Mr. BENTLEY: And there are only fifteen?

Mr. ABBOTT: There are fifteen items removed from the prohibited list.

An hon. MEMBER: How many new ones have been added?

Mr. ABBOTT: There have been in fact no new ones added. The paper item which I have read has been reworded and, as a result of the rewording, the scope may be somewhat extended. I am informed that the intention is to catch the fancy boxes, if I may use that expression. There are certain specialty types of fancy boxes that are imported into the country and the change in the wording is intended to include these fancy boxes in the prohibition.

Mr. MACDONNELL (Muskoka-Ontario): I presume that when this was worked out the minister of necessity had a figure of hoped-for savings of United States exchange which he attributed to each item. Is there any estimate of any kind?

Mr. ABBOTT: No. There is no intention of doing that at all. As I said just before the dinner recess, these schedules were prepared after a great deal of study by the technical people who are familiar with these things. But for reasons which I think are obvious, of necessity they were prepared without an opportunity of consultation with those who were directly concerned with the import trade involved. As a result of representations which have been made to me and to the emergency import control division since the schedules have been announced, and as a result of information which has been obtained as to the effect on importers and the economy generally, certain changes have been made. But no particular consideration has been given as to whether the change will result in a saving of a particular amount or otherwise, except for this; no change would be made which it was felt would result in a substantial impairment of our United States dollar position on balance.

Mr. MACDONNELL (Muskoka-Ontario): I do not want to be too persistent about this, but I confess that I am a little bit surprised. After all, the government figured out a suggested amount which they hoped they might save. I have forgotten just what it was—$300 million to $500 million, if I remember correctly. It is hard for me to understand just how that was arrived at unless some pencil work had been done. While I appreciate fully what the minister says, to the effect that they could not take the business community into their confidence, nevertheless I should have thought that, with the elaborate statistical department we now have, these figures would be available. I confess myself to be much surprised that no figures of any kind are given. How is that total made up?

Mr. ABBOTT: That is simple. I think I stated in the press conference which followed the announcement of these restrictions that, on the basis of importations during the preceding year, if importations were continued during the current year at the same rate as during the last year on all these items, the savings would be in the vicinity of $300 million. Obviously any figure of that kind, so far as the future is concerned, cannot be better than an estimate. But if my memory serves me aright, I said that if we had continued to import the products, under schedule I, which are now prohibited, at the rate we had imported them during the preceding year, and if we had continued to import the products which were on the quota list at the same rate, without these restrictions we would have imported $300 million more, which is obviously an estimate; but it was the best estimate one could arrive at.

Mr. MACDONNELL (Muskoka-Ontario): I can understand that the estimate had to be a rough one, but I still submit that there is a great difference between an estimate and a guess. If I understood the minister correctly, what he said was that there was nothing more than a guess.

Mr. ABBOTT: No. I said that was an estimate.

Mr. MACDONNELL (Muskoka-Ontario): You called it an estimate; but if in fact—

Mr. ABBOTT: If my hon. friend can tell me at the beginning of January, 1948, that we shall import during 1948 exactly the quantity of goods that were imported in 1947, he is a better man than I think he is.

Mr. MACDONNELL (Muskoka-Ontario): I would not say that at all.

Mr. ABBOTT: That was the only forecast I made.

Mr. MACDONNELL (Muskoka-Ontario): Surely, when you have the figures with regard to the importation of a certain article in the year 1947, you have the figure as to what you may hope to save in 1948. That is what I am asking for.

Mr. ABBOTT: That is the figure I gave.

Mr. MACDONNELL (Muskoka-Ontario): No. I am asking that we have that by items. You must have that.

Mr. ABBOTT: We can give you that information, but I think it would be better to

do it when we come to the schedules. But we can take up the various items, item by item. I can tell my hon. friend what we imported under each item. Obviously it is a matter of public record. I can say that if we imported the same amount of tariff item 26 in 1948, we would spend so much on the item. I can go through these items in that way, item by item.

Mr. MACDONNELL (Muskoka-Ontario): I have no desire to waste time, but that is exactly what I want. I think, if the minister will give us that, it will be simple with regard to schedule I; it will not be so simple with regard to schedule II and it may not be possible at all with regard to schedule III. But I suggest that the minister might give us what he could with regard to schedule II. I imagine it could be done. When we come to schedule III where discretion enters in, I do not like to suggest offhand what can be done, but I feel sure that something can be done.

Mr. ABBOTT: That information can all be made available and will gladly be made available if the committee wants it when we come to schedules I, II and III. But obviously that is a matter which will take some time. The data is all available, but it is lengthy. I think we should do it when we come to the schedules, not when we are discussing the short title of the bill. It is not a matter for argument; it is purely a matter of statistical fact which is ascertainable by looking at the customs entries for 1947 and seeing how much they are. There is not any argument about it. I know my hon. friend appreciates that.

Mr. MACDONNELL (Muskoka-Ontario): Yes, I appreciate that.

Mr. ABBOTT: It is not a matter that we need to quarrel about at all.

Mr. MACDONNELL (Muskoka-Ontario): I agree with the minister that we need not ask him to do all that for us now; it can be done tomorrow.

The next question that arises is a much more difficult one. In schedule II, I understand that certain quotas have been given, and they are based on purchases over a basic period. Then we come to schedule III, and I am still more perplexed because there you have a wide-open discretion. What changes have been made in the items of schedule III? After the minister has answered that, I should like to ask him another question.

Mr. ABBOTT: Yes. I can give my hon. friend the changes which have been made in schedule III. So far as detailed inquiry is concerned with regard to schedule III, I may say that will be dealt with by my colleague, the Minister of Trade and Commerce (Mr. Howe) who is unfortunately not able to be here this evening. But I think we have plenty to occupy our attention in schedule I and II if we reach them.

[Mr. Abbott.]

Item ex 238a which is described as follows has been added at the commencement of schedule III:

Cinematograph or moving picture film negative one and one-eighth of an inch in width or over.

I do not pretend to be able to tell the committee why that has been added. There is, I am informed, a good technical reason for adding it. I think my colleague, the Minister of Trade and Commerce, will be able to tell the committee more clearly why that should be the case. That is the only item which has been added to schedule III.

Mr. FRASER: What is that number?

Mr. ABBOTT: It is described as ex 238a.

Mr. FRASER: On January 28 there was a custom notation on import restriction. It is marked 427h and its motion picture projectors for use with film one and one-eighth inches or over. Would that cover the same thing?

Mr. ABBOTT: This is the film itself we are referring to, not the projector.

Mr. FRASER: This covers motion picture projectors.

Mr. ABBOTT: This added item is the film itself, not the projectors.

Then two items identified by the following numbers are to be deleted, and the items which I shall refer to are to be substituted. Instead of item ex 415 as it now appears in schedule III, the following is to be substituted:

Electric vacuum cleaners and attachments therefor; hand vacuum cleaners; and complete parts of all the foregoing for production use.

Then item ex 427h is to be deleted as it now appears in schedule III, and the following is to be substituted for it:

Motion picture projectors for use with film one and one-eighth of an inch in width or over; electric rectifiers or generators designed for use with such motion picture projectors; arc lamps for motion picture work, motion picture or theatrical spot lights, light effect machines; not to include electric light bulbs, tubes or exciter lamps; complete parts for production use of motion picture projectors arc lamps for motion picture work, motion picture or theatrical spot lights, light effect machines, motion picture screens, portable motion picture projectors with or without sound equipment, and electric rectifiers or generators designed for use with motion picture projectors.

That is the end of the description of the amended tariff item. These are the only changes which have been made in schedule III as it appears in the bill before the committee.

Mr. MACDONNELL (Muskoka-Ontario): Then, if we take these it is understood we shall have the new schedule put on *Hansard*; the minister can give us these figures of expected savings on the various items and that will apply to schedule I and schedule II.

Mr. ABBOTT: I have not given the particulars yet on schedules I and II, except in the most general form. As I have said, fifteen items are being deleted from schedule I. There are seven added to schedule II, and there are these very minor changes to schedule III. I could ask the officials to make some estimate as to what may be the effect on balance in savings or otherwise of United States dollars as a result of these proposed changes. I do not think it will be substantial; I think the changes are more in the nature of relaxing in order to facilitate the importation of certain goods from soft currency areas. I do not think the effect on balance would appreciably change the estimate of approximately $300,000,000 which I gave in the press statement following the announcement. The changes are intended to facilitate the easier flow of trade and more particularly to assist or at least not to impede the importation from sterling areas of goods which can be properly brought in.

Mr. MACDONNELL (Muskoka-Ontario): At any rate, if the minister gives us the details for each item, both those appearing in the bill and the new ones, we shall be able to make an estimate for ourselves.

Mr. ABBOTT: It might be of assistance to the committee if I were to place on *Hansard*, for study tomorrow, a summary of the changes in schedule I, II and III. If that is on *Hansard* hon. members can take the bill as it is printed; each of these changes will be identified by a tariff item number, and they can turn up each one in schedule I, II or III, as the case may be, to see exactly what the change is.

Mr. MACDONNELL (Muskoka-Ontario): That is quite satisfactory to me.

The CHAIRMAN: Then is it agreeable to the committee that the minister shall have leave to place this statement on *Hansard*?

Some hon. MEMBERS: Agreed.

Mr. ABBOTT: Then I formally place on *Hansard* a statement outlining the changes to which I have just referred. The statement is as follows:

SCHEDULE I

The following items to be deleted:

26	Coffee, roasted or ground, and all imitations thereof and substitutes therefor, including acorn nuts, n.o.p.
29	Coffee, green, n.o.p. (not imported direct from the country of growth and production.)
ex 228	Toilet soap.
230	Castile soap.
252	Shoe blacking; shoemakers' ink; shoe, harness and leather dressing, and knife or other polish or composition, n.o.p.
652	Toilet or dressing combs, n.o.p.; fancy combs, not being jewelry.
665	Torpedoes, firecrackers and fireworks of all kinds.
ex 695 ex 695a	Paintings in oil or water colours and pastels (not to include paintings in oil or water colours and pastels to be used exclusively for printing or lithographic reproduction purposes).

The following items to be added after item 1976:

ex 192 ex 197 ex 198 ex 199	Papers and paperboards or fibreboards the surface of which is in two or more colours or is embossed or otherwise decorated.
ex 199b	Empty containers wholly or partially manufactured from paperboard or fibreboard having affixed thereto paper the surface of which is in two or more colours, or is embossed or otherwise decorated.

The items identified by numbers below to be deleted and the items set opposite them to be substituted:

Deletions	Substituted items	
104a 105	ex 104a ex 105	Fruit pulp, other than passion fruit pulp, with sugar or not, and fruits crushed or frozen.
124 125 126 127 128	124 125 127 128 ex 123 ex 133	Oysters
ex 326g	ex 326g	High thermal shock resisting glassware, but not including industrial or laboratory glassware or glassware parts imported by manufacturers for production use in their own factories.
624 et al	624 et al	Bead ornaments, and ornaments of alabaster, spar, amber, terra cotta, composition or other material except china or porcelain; fans of all kinds; statues and statuettes of any material other than porcelain or earthenware.
ex 655a	ex 655a	Propelling pencils.

The word "humidifiers" where it appears in line 17 on page 13 of Bill 3 after the words "juice extractors", to be deleted.

SCHEDULE II

The following items to be added to category 4:

228 Soap powders, powdered soap, mineral soap, and soap, n.o.p.
230 Castile soap.
252 Shoe blacking; shoemakers' ink; shoe, harness and leather dressing, and knife or other polish or composition, n.o.p.
362 Articles consisting wholly or in part of sterling or other silverware, n.o.p.; manufactures of gold or silver, n.o.p.
652 Toilet or dressing combs, n.o.p.; fancy combs, not being jewelry.

The following items to be added to category 5:

26 Coffee, roasted or ground, and all imitations thereof and substitutes therefor, including acorn nuts, n.o.p.
29 Coffee, green, n.o.p. (not imported direct from the country of growth and production).

SCHEDULE III

The following item to be added at the commencement of the schedule:

x 238a Cinematograph or moving picture film negatives one and one-eighth of an inch in width or over.

The items identified by numbers below to be deleted and the items set opposite them to be substituted:

Deletions	Substituted items	
ex 415	ex 415	Electric vacuum cleaners and attachments therefor; hand vacuum cleaners; and complete parts of all the foregoing for production use.
exz427h	ex 427h	Motion picture projectors for use with film one and one-eighth of an inch in width or over; electric rectifiers or generators designed for use with such motion picture projectors; arc lamps for motion picture work, motion picture or theatrical spot lights, light effect machines not to include electric light bulbs, tubes or exciter lamps; complete parts for production use of motion picture projectors, arc lamps for motion picture work, motion picture or theatrical spot lights, light effect machines, motion picture screens, portable motion picture projectors with or without sound equipment, and electric rectifiers or generators designed for use with motion picture projectors.

Mr. LOCKHART: Have any of the quotas been increased?

Mr. ABBOTT: No.

Mr. MACDONNELL (Muskoka-Ontario): I am afraid I did not make myself clear in what I was asking the minister. I assume the statement he has placed on *Hansard* will not have the relevant amounts which he is to give us. Those will be furnished separately, I take it?

Mr. ABBOTT: No; the statement will not give any indication as to what change, if any, there would be in the estimate I gave earlier as a result of these restrictions.

Mr. MACDONNELL (Muskoka-Ontario): I am sorry; I have not yet made myself clear. I understand that the minster is to give us the expected saving with regard to each item in the schedule as it is now. Do I understand correctly?

Mr. ABBOTT: That can be done. My assistant deputy minister advises me that this will cover at least fifteen pages of double foolscap. That can be made available, and I would gladly make it available if the committee wants it, but I hope I shall not have to read it all. That data is all available.

Mr. MACDONNELL (Muskoka-Ontario): I do not want to ask for anything that will mean a lot of unnecessary work. I thought we were to get that. I have before me schedule I, which is quite short, covering only seven or eight pages. I do not understand why it should be such a tremendous affair.

Mr. ABBOTT: It is not. I have all the data here, but it is of considerable length. I have here schedule I, the prohibited list, with the estimated total savings. It covers eight of these large sheets, with items varying from $3,000, for instance, under item 7, beef and veal fresh, to $1,611,000 under items 9 and 9a. It goes all through a long list of tariff items, with the estimated savings, those savings being computed purely on the assumption that imports this year would be at exactly the same rates for these items as they were last year.

Mr. MACDONNELL (Muskoka-Ontario): Well, I have one or two other questions I should like to ask the minister. He gave us some figures with respect to the results to date which certainly sounded encouraging. He told us that the holdings of United States dollars and gold, while, I think, going down to a low in December, had come up at the end of January. That leads me to ask these questions. Of course it is very natural that there would have been a bit of a breather after the virtual run on United States exchange which took place before November 17. These are the questions I wish to ask: the exports and imports to and from the United States in December, 1946, in December, 1947, and in January, 1948. The reason I ask for this information will be obvious; to show whether exports and imports in the two relevant months, December, 1947, and January, 1948, look normal or whether they look in any way abnormal. It seems to me that will help us make up our minds as to exactly what the situation is.

Mr. ABBOTT: As my hon. friend knows, the December figures were published about a

week or so ago and are on record, though I do not have them with me at the moment. The January figures will not be available for another three or four weeks. The December figures are a matter of public record, available to every hon. member of the house.

Mr. MACDONNELL (Muskoka-Ontario): The minister is right on that, of course; but he gave us a figure, I think to the end of January.

Mr. ABBOTT: January 29.

Mr. MACDONNELL (Muskoka-Ontario): Presumably he has the figures of exports and imports, even if they are not for the full month.

Mr. ABBOTT: No, I have not, and they will not be available for two or three weeks. I have the figures as to our daily exchange position, but those are not the figures on exports and imports.

Mr. MACDONNELL (Muskoka-Ontario): I see. Then you suggest that we cannot get any figures at all at the present time?

Mr. ABBOTT: Those figures are compiled from the returns received from the hundreds of customs ports across Canada. They cannot be available on twenty-four hours notice. There is always a lag of three or four weeks.

Mr. MACDONNELL (Muskoka-Ontario): But the foreign exchange control board must have the figures, because both export and import transactions are known to them. Certainly they know about the imports, because they furnish the exchange. I wonder if they do not have some means of knowing the export figures too and if we cannot get a rough and ready figure, not the last word but a working figure, up to the end of January. Will the minister look into that and see what can be done.

Mr. ABBOTT: I shall look into that; but I am sure that, so far as identifying it with a physical volume of goods, the foreign exchange control board could not very well have more rapid or up-to-date information than the customs branch which acts as its agent in these matters. Therefore I consider it most unlikely that we would have more up-to-date figures on the physical volume of imports from the foreign exchange control board than we would have from the Department of National Revenue, customs division. However, I shall make inquiries.

I can and do obtain weekly reports as to the exchange holdings of the foreign exchange control board; but there are forward commitments; and, while it is the intention, it does not necessarily follow that we will have the day-to-day volume of trade imports, because there are invisible items such as settlements in respect of transportation, and so on.

If my hon. friend buys a ticket today in Canada to go to Miami for a couple of weeks he can buy it in Canadian funds, but Canada will have to settle for the United States mileage portion of that ticket in United States funds.

Mr. MACDONNELL (Muskoka-Ontario): I shall not press the point, but I do say that while there may be a time lag, it is the same time lag all the time, and I think the day to day records of the foreign exchange control board reflect pretty well what is going on.

Mr. GREEN: There is one feature of this exchange conservation plan which seems to me very unfair, and I am hoping the minister can do something to remedy it. I refer to the way in which quotas are determined. Apparently the basic period is for the year preceding June 30, 1947. This has meant that in many instances people have been unable to qualify because they started in their businesses perhaps late in 1946 or early in 1947. I know it has hit several veterans very hard, and I do not understand why that period could not have been the twelve months preceding October 31 rather than June 30.

I notice in tonight's press that the quota for automobiles has been based upon the twelve months period ending October 31, 1947. I would ask that the quota for all goods be worked out on the same basis. It seems only fair that that should be done.

Mr. ABBOTT: The explanation of the point raised by the hon. member for Vancouver South is that when the import restrictions were put on, the June 30 figures were the latest for which full information was available. The figures for October 31 were not available at that time. As the committee knows, in respect of automobiles imports at the outset were prohibited, pending the working out of a quota. The quota in respect of automobiles had to be ascertained on a basis somewhat different from the others. Returned men are given consideration up to November 17, so far as imports are concerned. As I believe I said in reply to an interjection during the debate on second reading, a special quota figure has been reserved in order to take care of returned men who did not have a basis of performance in the previous period. I believe there is ample provision under the arrangement to take care of the returned men; and, as I say, they are given consideration for their imports right up to November 17.

But they are a special case. I repeat that the June 30 date was taken because that was the latest date for which figures were available when the restrictions were put into force.

Mr. GREEN: That might have been all right at the time; but now that we have the legislation before us, would it not be wise to follow the suggestion I have made?

Mr. ABBOTT: The difficulty is that quotas are set. They have been operating since November 17. We are now in February, discussing the legislation. So that it would be pretty difficult to adopt literally my hon. friend's suggestion. I do not think the basis of performance up to June 30 is an unfair one, because the volume of imports, during the year which ended June 30, 1947, was at an all-time high for this country. I do not believe there is anything wrong in that basis.

Mr. GREEN: It seems to me that that is looking at the problem from the point of view of the officials who are administering the plan rather than from the point of view of the man out in the country who is being hit. Surely his quota should be based upon the goods he imported in the year immediately preceding the time these restrictions went into effect.

Mr. ABBOTT: One reason why I personally would object to using that basis is that during the last month or two, before these restrictions were imposed, there was a terrific acceleration of imports from the United States. Many people thought the restrictions were coming on, and there was a rush to bring stuff into the country. I believe that the last month or two before the restrictions were put on would represent a completely distorted picture of the normal imports into this country; and I think it would be wrong to use as a basis the period just before these restrictions became effective. I believe that is a pretty compelling reason for using June 30 as the date.

Mr. GREEN: That may be all right for the big fellow, the fellow who was smart and perhaps got a hint from somewhere that this plan was coming into effect—

Mr. ABBOTT: Nobody got a hint from anywhere. No innuendoes of that kind, please.

Mr. GREEN: If the minister is putting the quota on its present basis for that reason, then I say it is punitive; it is not fair at all. I am referring to the case of the small man in business in Vancouver or Halifax who had not the remotest idea that this plan was to be brought down. He carried on his business in the regular and ordinary fashion. Then he suddenly found that a quota was put on and that, instead of its applying up to November 17 or the end of October, he is cut off at the end of June. I know of several cases in which there has been the utmost unfairness as a result. Those men can get no consideration from the department. If in a bona fide case they can be given consideration, all right; but I suggest that there is hardship at the present time and that, because of the way in which these quotas are being administered, these men can get no help.

Mr. ABBOTT: I am informed by the assistant deputy minister, who is head of the emergency import control division, that we have had almost no complaints as to the fairness of the June 30 date. There have been questions raised by veterans who have gone into business at a later date and, as I have already said, special provision has been made to take care of them. But in respect of the ordinary importer I can see no unfairness in using that date. It is just as fair for one as for another. I think, myself, that the period ended June 30, 1947, represents a high level of import so far as this country is concerned, and I believe that any attempt to use another date would create more unfairness than the date now used. As I have said, veterans are treated as special cases; but I repeat I have been told that we have had almost no complaints as to the fairness of using that date.

The CHAIRMAN: May I draw the attention of the committee to the fact that we are now considering section 1, short title. It seems to me that the committee would make more progress if it abided by the rules of the house and considered matters as they appear in the clauses. For instance, the question which we have been discussing could properly be discussed under section 5 (1) (b), the latter part of which reads:

> . . . and the method of calculating the quotas, or prescribing the circumstances in which permits may be issued to applicants therefor.

I ask hon. members to discuss the bill clause by clause.

Mr. SKEY: I think, Mr. Chairman, you will find that the references which I have to make are in order because they are general in nature. I should like to refer back to the time when I spoke on this bill when I had an exchange with the minister, in part humorous and in part serious. The minister has done me the honour of dealing with one of the recommendations that I made to him when he replied, as reported on page 735 of *Hansard*. However, he did not deal with one other recommendation which I made at that time and I should like to give him an opportunity

of dealing with it now. I think he will welcome this opportunity in view of the remarks made this afternoon by the hon. member for Muskoka-Ontario when he referred to the difficulty that certain businessmen met when approaching the government with their problems and the new situation in which they found themselves.

I recommended to the minister that he should call to Ottawa some of those in the country who are skilled in commerce and export and import matters. I recommended that he consult with boards of trade and chambers of commerce in Canada. The minister has said that prior to the bringing in of this measure they had no opportunity to do that, but I ask him what action he or his departmental officials have taken, since the bringing in of this measure, to consult these experts in the country.

Mr. ABBOTT: That is extremely easy to answer. I think on the average I personally see at least six or seven representative delegations in the course of a week. Today I had a delegation from brush manufacturers and I have had delegations from electrical manufacturers, furniture manufacturers and others. I think it is fair to say that I see at least ten or twelve delegations a week. They come to my office with extremely well prepared briefs which outline the problems of their particular industry. Of course I receive them with my customary courtesy and I listen to their stories. I am very glad to have these representations made.

In addition to the delegations that I see, the officials of the emergency import control division and other officers of the Department of National Revenue or the other departments of government concerned with the administration of this program see literally hundreds of representatives of business and industry. I think it will be found that the reception which these Canadians received was sympathetic and considerate. My friend, the hon. member for Muskoka-Ontario shakes his head—

Mr. SMITH (Calgary West): He was agreeing with you.

Mr. MACDONNELL (Muskoka-Ontario): On a question of privilege, I was agreeing with the minister. I am sure that the minister was so courteous that he made it as painless as it could be made.

Mr. ABBOTT: I thought the hon. member was shaking his head from side to side and not up and down. I apologize to him. Speaking personally, and I know that this applies to the officers of the department, representations from organizations such as my hon. friend has suggested are not only welcomed, but are necessary for the effective administration of any law of this kind. They are the same sort of thing that I get month after month during the year with respect to matters which affect the budget. That is the way in which our system works.

Boards of trade, chambers of commerce and trade groups of one kind and another are constantly making representations to the government. I can assure my hon. friend that he need have no concern over the reluctance of organized groups of this kind to bring their cases fully and clearly before the government. I am glad that they do, and he need feel no concern over the fact that the points of view of all groups are not fairly presented to the government.

Mr. SKEY: I am sure that many in the country will be pleased to know that they are so welcome in Ottawa and will always receive the sympathetic and non-political treatment which they appear to be getting.

However, I should like to come to the other side of this question. This is an emergency exchange measure. When I spoke before, I asked the minister if he had consulted those in the country who were skilled in exchange matters. We have the minister's answer with regard to import and trade groups, but what about those skilled in finance and exchange? Has the minister interviewed the bankers' association or representatives of the Montreal, Toronto and Vancouver stock exchanges? Has he met with the boards of directors of any of the banks? Are they in agreement with the action the government has taken in this case?

Mr. ABBOTT: Fortunately in this country we still follow the principle of responsible government. The government does not have its policy determined by this House of Commons, by the bankers' association, by the trades and labour congress or by any other special group.

Mr. SKEY: That is not the question.

Mr. ABBOTT: Let me make that perfectly clear.

Mr. SKEY: I was referring just to consultation.

Mr. ABBOTT: That is all right. The government is always willing to listen to the representations of any group in this country that may be interested either in promoting the public welfare or in promoting its own particular interests. That is part of our system and ministers of the crown and the government are always ready to listen to

these representations. But in the final analysis the people who have to determine the policy of this country are not the bankers' association; they are not the trades and labour congress; they are the government which represents the elected people of this country. As I say, the government is always willing to listen to the views of any group in this country, but the responsibility for determining what government policy will be lies with the government. Let me say that in budget matters or in matters of this kind there are obvious reasons why we cannot consult either with the bankers' association, the trades and labour congress or any other private group before determining what the policy will be.

Mr. SKEY: The minister has suggested in his reply that I was advocating that he should ask the advice of these various organizations. That was not my idea at all. I was merely asking the minister if they had been asked to give their views to the government in the same friendly way as the traders previously mentioned. It seems strange that we have the minister describing the welcome given to the trade delegations and import people, but when we come to the question of finance and the management of currency and exchange the minister shows some heat.

Mr. ABBOTT: The minister never shows heat.

Mr. SKEY: He showed some heat.

Mr. ABBOTT: Oh, no, never.

Mr. MACDONNELL (Muskoka-Ontario): The minister always has the same complexion?

Mr. ABBOTT: It is just the temperature.

Mr. SKEY: My question still remains unanswered. Has the minister had representations from the heads of the various financial organizations and has he had their opinion with regard to the measure now under discussion?

Mr. ABBOTT: If one may judge the published annual reports of most of the chartered banks, they appear to approve the action which the government has taken.

Mr. SKEY: Oh, oh.

Mr. ABBOTT: My hon. friend may smile, but I have read the reports. Perhaps he might usefully do so. These reports are pretty capable documents. If he reads them carefully he will find he gets a lot of useful information from them. I do not think there is any criticism of the action which the government has taken on this particular issue.

[Mr. Abbott.]

Mr. SMITH (Calgary West): May I compliment the minister on his eloquent presentation of the elementary principles of responsible government. You know sir, one needs to attain a professorial attitude to give us the great truths that he gave us just now which, of course, we all learned in the first grade when we went to school.

Mr. ABBOTT: Not all.

Mr. SMITH (Calgary West): Quite apart from that, I have three questions to ask, but, first, with respect to the minister's answer about the statements of the banks, may I say that they were prepared, although not published, long before he took the measures he is talking about.

Mr. ABBOTT: Not all of them.

Mr. SMITH (Calgary West): I want to ask three simple questions, not in the realm of high finance which we have been dealing with just recently because I confess I do not understand large figures. I know something about refrigerators; I know something about fireworks, and I know something about one other subject. I want to ask the minister a question first about fireworks because, if I heard him correctly, he mentioned that fireworks had been taken from the prohibited list and put on a quota basis. I understood him to say that just a moment ago. I speak to him now on behalf of an organization known as The Calgary Exhibition and Stampede. I wrote him a letter about the matter today; at least I was sent a copy of a letter that was sent to him. Perhaps, sir, knowing as you do how wonderful our facilities are for getting our mail out I should have said I dictated a letter today. I may send it out in the course of the next couple of weeks, granted that I get it back again—I do not know so much about that. But may I assume from what he said a moment ago that this government would grant an expenditure of $7,500 to the one event in the Dominion of Canada, by way of entertainment, including your Toronto exhibition—

Mr. SKEY: The Canadian National.

Mr. SMITH (Calgary West): All right. This is the first time I have ever known anyone from Toronto who would not accept credit even though it was not due. They call it the Canadian National. What I am saying is that the exhibition at Calgary attracts more real United States dollars than any other single event in the country. It is a matter of great importance, not national importance —I am fed up with this national business. We

heard something today about somebody seceding out there; I am not going to secede. It is a great show in our own area, and I think the people sitting in front of the minister will agree that no other single event in Canada attracts the United States dollars which the Calgary stampede does; therefore I am simply making a plea that $7,500, which will bring back fifty times as much, be granted. I am not expecting an answer to that at the moment because, as I say, I have written.

These other two matters I have taken up with the department or departments. The first has to do with refrigeration. I was very happy to hear the minister tell the House of Commons how courteous he was to everybody who came to see him. In order that he should not be lonesome on that pedestal may I immediately thank those under him in his department and in the Department of National Revenue for the great courtesy they have shown me in invariably turning me down in everything that I asked them to do.

I want first to deal with one incident which I think is entitled to consideration. May I, Mr. Chairman, say that I do not mention this or the next item in the House of Commons without first having done my best by correspondence with the department to get for these people what I think is simple justice. I tell you this simple story. There is a small outfit in Calgary which makes casing for refrigeration; that is, the wood, the furniture and the fittings that go with it, and they buy their refrigeration in Los Angeles. I think it was the evening of November 17 that the Minister of Finance, quite illegally, of course, pronounced his edict that things ended as of the date when Caesar spoke, or whatever the proper expression is.

Mr. ABBOTT: Whatever you want to call it, yes.

Mr. SMITH (Calgary West): This is a simple question. The output is very small. Fifteen people are engaged in the business of building these casings or set-ups, furnishing for refrigeration. They have a cash capital paid up of $9,000. They had started a comparatively new business, and business was good. With assistance from banks and elsewhere they bought, it so happens, the same amount, $9,000 worth of refrigeration. It arrived in Calgary at the Canadian Pacific railway warehouse at three o'clock. They were notified. They got in touch with their customs brokers. Those brokers informed them at that time that it was too late to get the thing cleared through customs, and then mighty Caesar spoke and their refrigeration was refrigerated in the Canadian Pacific railway freight sheds in Calgary. Nothing was done to remedy that.

This was not a matter of prohibition, as the minister so kindly informed me last December; it was a matter of excise tax added to that price. They had arranged to dispose of the material. When the minister made his announcement he said it would be a temporary measure. Those persons who were to buy the material said, "Don't be silly; we are not going to pay that price. The minister says this is just a temporary measure." What has happened since I do not know. They could not send it back. They had paid for it. It may be lying in the Canadian Pacific warehouse yet. Now, Mr. Chairman, with respect and in all seriousness, I do think that goods which had been delivered this side of the border and were lying in a warehouse in Calgary or in Ottawa or in Toronto prior to this announcement should get some consideration. I am glad to see the Secretary of State for External Affairs in his seat. Title had passed. It may have been conditioned on a customs release; but the department absolutely refused to move from its position, and told me, and I think told these people, that nothing could be done, since no exceptions could be made. The exception should never have had to be made because it is unjust; it is wrong; yet, so far as I know, it stands unrighted.

Mr. ABBOTT: That was the tax.

Mr. SMITH (Calgary West): Excise tax.

Mr. ABBOTT: That is another resolution; that is not this bill.

Mr. SMITH (Calgary West): I am sorry, but I shall not repeat it. Do not forget that I mentioned it on this bill.

The other question which comes to my attention—and I may say it is among a very great many—has not to do with the excise tax; it has to do with prohibition. In the city of Calgary from which I come—and I am glad to see the Minister of Fisheries here; you see, he is our very good neighbour, and he is going to give us a fishing pool in the city square there and breed his own kind of MacKinnon trout; we have that all arranged—there is the only concern in the Dominion of Canada which is engaged in the manufacture of billiard room or poolroom and bowling equipment. I want to mention this particularly with reference to the exceptions which the minister said were being made in favour of the returned man.

A very fine gentleman by the name of Mr. Taylor wrote back the most pleasing letters, but at the end I found I was exactly where I started and perhaps a little more behind the

eight ball than I thought I was when I began. This is the situation, and I want the house to get it. So far as I can learn, they are the only outfit in the Dominion of Canada engaged in the manufacture of bowling balls for alleys. I do not know how many hon. members have engaged in the game of bowling, but it is very general throughout the country. The greater part of that equipment is supplied by the Brunswick-Balke-Collender Company. I do not know what the "collender" means in connection with bowling. I had thought it was something my wife used for straining things when making salads. As I say, I do not know what it means in this connection, but they supply practically the whole of that equipment in the dominion.

This little outfit had a capital of $35,000, all paid up. It was composed of a returned veteran and his brother-in-law. This returned veteran had a splendid record overseas. I mean a combat record; I do not mean one of the chaps sitting at a desk with a pencil, blue-pencilling other people's ideas. I mean a man who was fighting. He used his gratuity, a government loan, a loan on his insurance and a loan from the bank and raised $17,500. His brother-in-law put up the remaining $17,500.

I thought he was entitled as a returned veteran to special consideration, but I was informed by the department that he was not so entitled because he owned only 50 per cent, with his brother-in-law, who is not a returned man. Where are you going to draw the line? Must the veteran own 100 per cent, or 90 or 80 or 75 or 50 per cent? Where do you draw the line? The simple fact is that there was an outfit doing something for business in this country and in a very short time succeeding quite well. They were original people, the sort of people we want here, people who were doing something for this country, providing employment for thirty-five persons. Today they are practically out of business, certainly so far as a large proportion of their business is concerned, because they are unable to import certain things required in that business; for example, the wood from which these bowling balls are made.

I would not mention the matter in the house had I not placed all the facts before the department. I have the correspondence, and these people have been turned down on that basis.

I hate strong language or exaggerated language, but I do say this. They are facing ruin at the present time and the Brunswick-Balke-Collender Company are taking over the business. They had opened up branches in Regina, Prince Albert and Edmonton, and today they have to close them because, through this stupid and unfair regulation, the business is being handed to this great company which practically controls that industry throughout the whole continent of North America.

I would not have mentioned these things, but they are not really of local interest merely. That is the attitude that has been taken, that a man owning 50 per cent, and having borrowed in every place he could, is not entitled to some form of import quota. If that is the case, then heaven help us and let us throw the rest of the business to people comparable with the Brunswick-Balke-Collender Company of the United States of America.

Mr. ABBOTT: With regard to the matter raised by my hon. friend, point number one is that this firm never imported anything before June 30 of this year.

Mr. SMITH (Calgary West): They were not in business.

Mr. ABBOTT: That is right. My hon. friend has stated the facts correctly. The business is owned 50 per cent by a veteran and 50 per cent by a non-veteran. I did not know it was this veteran's brother-in-law. This is no doubt a perfectly genuine case, but it is very easy for anyone to use a veteran as a stalking horse in order to get special quotas under an arrangement of this kind or any other special provisions such as we had during the war.

Mr. SMITH (Calgary West): I told you what this veteran did to get his money, did I not?

Mr. ABBOTT: I did not interrupt my hon. friend and I should like to state the other side of the case, because there are always two sides to a case. It is true that it was a new business and it is true that it was owned 50 per cent by a veteran. I do not know whether bowling balls are all made in the United States, but this firm can import all the bowling balls that can be made in the United Kingdom. Their quota is practically unlimited. They are restricted, it is true, as regards importations from the United States, but they are not restricted in bringing in equipment from the United Kingdom.

Mr. SMITH (Calgary West): Is the minister not confusing these bowling balls with bowling balls which are used on the green? I doubt very much whether bowling balls used in alleys are even made in the United Kingdom.

Mr. ABBOTT: That may be; I do not know.

Mr. SMITH (Calgary West): That is quite a different matter.

Mr. ABBOTT: I do not know whether bowling balls used in bowling alleys are made in the United Kingdom. From the United Kingdom there is a substantial import of balls under the heading of sporting equipment, but whether they are bowling balls or not I do not know. My hon. friend has made a tremendous point, and this is one of the cases to which I referred in my first statement with regard to this policy, namely, that inevitably some hardship must be caused to somebody. You cannot put in a policy of this kind in a painless fashion; somebody has to be hurt to a certain extent.

This is a concern which is owned, it is true, to the extent of 50 per cent by a veteran and 50 per cent by a non-veteran, and it was not in this business before June. It was bad luck, if I may say so, to get into the business after June 30, but no one knows better than my hon. friend, who is a distinguished lawyer, that hard cases make bad law, and I am not going to take as a typical example the case of one firm which cannot import bowling balls from the United States, which are prohibited and, I believe, under existing conditions properly prohibited. I cannot take this as an outstanding example of the foolishness and unsoundness of this prohibitory legislation. If the concern were owned 100 per cent by the veteran, there would be a special quota assigned to him; but it is not possible for me or for the administration to look into every case where there is joint ownership between a veteran and a non-veteran to find out whether it is a case where the non-veteran along with the veteran should get a special privilege.

I am told that this case, partly no doubt as a result of representations made by the hon. member for Calgary West, was carefully and sympathetically considered by the officials of the department, and the decision which was taken was one which it was felt was necessary if we were to maintain any semblance of principle in the administration of an admittedly difficult law.

The refrigeration matter raised by my hon. friend is, of course, a matter of the tax, which is under the amendments to the Special War Revenue Act and will come up later.

As regards the Calgary stampede, the stampede has certainly taken its place as the greatest show on earth and I agree that it is a great producer of United States dollars.

The reason fireworks were dropped from the prohibited list is that a considerable proportion of these do come from the sterling area countries, and that is one case where it was found possible to drop goods from the prohibited list.

Mr. SMITH (Calgary West): May I ask a supplementary question?

The CHAIRMAN: If the bowling alley case has been completed, I should like to make a few observations.

Mr. SMITH (Calgary West): May I ask one general question, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. SMITH (Calgary West): Is it the rule of the department that, when one seeks special consideration, the business must be wholly owned, 100 per cent, by a veteran?

Mr. ABBOTT: That is the case unless it is an incorporated company where, of necessity, there must be legal qualifying shares held by two other directors, or whatever they may be. It is a special exception; it is a special privilege given to the veteran as a veteran.

Mr. SMITH (Calgary West): I realize that. I am happy about it and am very much in favour of it. But let us take as an example, for instance, a young veteran like the hon. member for Davenport (Mr. MacNicol) here. We will say that he has now returned from his fifth war or something like that.

Mr. ABBOTT: It cannot be that bad.

Mr. SMITH (Calgary West): And we will say that he, being a poor man, has got together $10,000 and is going to form a radiator company or something like that. I have heard that he has been in the radiator business, not the radio business. We will suppose that he, having raised that money, gets hold of a plant and borrows $5,000 from a person who is not a veteran and who has a security on his business. Is that company or partnership which it may be, an enterprise wholly owned by a veteran, or is it not? If it is regarded as one that is wholly owned by a veteran, how in the world do you distinguish between two partners, one a veteran and one not a veteran; because in the case which I have mentioned if the thing does not go, the mortgagee, not the veteran, will ultimately own the whole business? A mortgage in that case is really ownership. What is your ruling there?

Mr. ABBOTT: My hon. friend says that a mortgage is really ownership. Some test must be established, and the test is whether the business is owned by the veteran. That does not preclude a veteran who owns a business from borrowing money from his bank, from a private individual or from anywhere else he likes.

Mr. SMITH (Calgary West): With security on the property?

Mr. ABBOTT: With security on the property. I do not know what the effect is in my hon. friend's jurisdiction, but in the jurisdiction where I practise law the mortgagee takes a charge on the property but the veteran continues to own it. That is the test which is accepted for extending this special privilege. One must have some test. There will be borderline cases, I suppose, with regard to any rule. But I am informed that the rule which is followed by the division is that the business must be wholly owned by the veteran. He can borrow money anywhere he likes, but it must be his business. If he shares it with somebody else, he or the firm is not entitled to this special privilege which no one gets but the veteran.

Mr. SMITH (Calgary West): Let us take another example. Let us assume that we have a business for which you and I have paid $10,000. You would supply $9,999 and I would supply the dollar and so we would get the capital.

Mr. ABBOTT: You would supply the brains; I would supply the cash.

Mr. SMITH (Calgary West): We would get our capital together. I know this is not true, but we will say that you did not have that $9,999 and that I did not have the other dollar. What we do is we incorporate a company and we go to the minister sitting immediately behind you, who has saved all his money, as we Irishmen always do. What he does is this: he says, "Now, boys, you have a very nice company. You have a share apiece. Assign to me 998 of them in blank and I will give you the money you require." You are a veteran; I am not. As I told the House of Commons before, my only military achievement was that of being lance-corporal in the boys' brigade in the Methodist church in Regina. In a case like that—and that is an ordinary business case—would you say that you and I as veterans—you a veteran of the first great war and I a veteran of the boys' brigade in the Methodist church in Regina—would have special consideration given? I know it is half funny, but the thing might easily happen. What is your ruling on that?

Mr. ABBOTT: Of course my hon. friend is a skilful lawyer and he would know many methods whereby perhaps it might be possible to achieve the desired end without the export-import control division being able to see through all the screens which were placed in the way of getting at the true ownership of the business.

[Mr. Smith (Calgary West).]

Mr. SMITH (Calgary West): I have borrowed money from every person and every bank that would give it to me. I admit that.

Mr. ABBOTT: On occasion, I have done a little borrowing myself. It is hard to give rulings on these hypothetical cases. I think all I can do is to return to what I said a moment ago, that the test which is used in extending this special consideration to a special group is that the business must be the business of the veteran, and that veteran is entitled to a quota, although he did not have any record of performance in that particular line prior to June 30. No doubt there are cases where people may use veterans as a blind to cover up the real ownership which is not that of a genuine veteran, and some of these we cannot catch. But on balance, the purpose of the rule is to enable veterans to get this special treatment. I cannot say any more than that. The division are trying to administer the rule just as fairly as they can and in the interests, not of fellows who are trying to put it over on somebody else, but of genuine veterans.

Mr. SMITH (Calgary West): You rely solely on legal title. May I again thank the department for their courtesy in turning me down in the gentle way in which they have.

The CHAIRMAN: Before we proceed to clause 2, may I again refer the committee to the rules of the house. I draw their attention to standing order 58 (2), which reads as follows:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

The discussion we have just been listening to is one which I believe could have been more appropriately considered under section 3 (1) which reads:

> No person shall import or attempt to import into Canada any goods listed or of the classes described in schedules I, II, or III . . .

And so on. I do not like to interrupt hon. members when they get into the midst of a discussion, but it occurs to me that the committee will make more progress if we abide by the rules of the house and make our remarks directly relevant to the clause which is being considered.

Mr. MACDONNELL (Muskoka-Ontario): I make one point which was made in the discussion before we rose at six o'clock, namely, that it was agreed—and I think the minister will bear me out in this—that it was desirable, before we did anything else with regard to this bill, to have a clear understand-

ing of the changes which had been made in the schedules. I think this discussion so far, in a general way, has had to do with the schedules and their present condition.

The CHAIRMAN: I think the minister has handed to *Hansard* a table of the changes.

Mr. ABBOTT: That is right.

The CHAIRMAN: I certainly think it would be out of order to discuss the schedules at this time. I am satisfied—and I think the committee will agree with me—that we always make more progress and get into fewer difficulties if we abide by the rules of the house.

Mr. HARKNESS: While we are still on this billard supply case, I think it would save time if I now made one or two comments which I should like to make on it. On this same case I have also had a number of courteous letters from the minister, which did not do anybody any good. However, in stating the position a few moments ago I think the minister omitted one point; that is, that these billiard balls and other supplies which this small Alberta concern wishes to import, and which it started to import from the United States, are not banned. They are under a quota; and the Brunswick-Balke-Collender Company is still bringing in these materials. As a matter of fact, the only way in which this company can get any business is practically to become an agent for the Brunswick-Balke-Collender Company and take the stuff they bring in, at much higher prices than they could bring it in for themselves; otherwise they cannot stay in business at all.

When the minister introduced this measure he said special provision would be made for new businesses, and particularly for businesses run by veterans. As far as I can make out, no provision has been made for new businesses, as far as this company is concerned. The department has applied to it only one criterion, that the business was not entirely owned by a veteran, but only fifty per cent of it was so owned. Therefore they gave it no consideration whatever. Through you, Mr. Chairman, I would ask that the minister give consideration to this company on the ground that it is a new business, in addition to the fact that actually fifty per cent of it is owned by a veteran, and it employs a large number of veterans. It is no good talking, as the minister did a while ago, about making special exceptions for prohibited goods because these goods are not prohibited. It is merely a matter of whether Brunswick-Balke-Collender bring them in or whether a small Canadian company which is trying to get started, which is chiefly manned by veterans and half owned by a veteran, is to have a chance to compete with that large concern.

Mr. BENTLEY: I have a similar case I wish to mention.

The CHAIRMAN: If the hon. member wants to bring up another case I would ask that he reserve his remarks until we reach section 3. As I said, I did not want to interrupt the billiard ball case, but I do not think we should bring up a number of these cases at this time.

Mr. BENTLEY: I shall have to do what the Chairman instructs me to do, of course,, but the hon. member for Calgary East had a lot of fun in his own way, and I think he brought up a good case. The other hon. member for Calgary was also allowed to go ahead and discuss it. If you insist that I am not to be given the same consideration of course I shall sit down.

The CHAIRMAN: I am not saying the hon. member cannot go ahead, but I am satisfied that we shall make more progress if the case he has in mind is discussed under section 3, which we shall reach very shortly.

Mr. BENTLEY: I really do not believe it will be any more relevant under section 3 than it would be here; but, as I say, I shall be guided by your ruling.

Some hon. MEMBERS: Go on.

Mr. BENTLEY: In this connection I wanted to recommend something to the government in regard to this veteran these other hon. members have been talking about; and I think they have a good case. In this country we are supposed to have what is called an industrial development bank. Why not have this bank lend the veteran the balance of the money and let him pay off the non-veteran half owner?

Mr. ABBOTT: The non-veteran owner could lend the money himself. If he would be willing to lend the veteran the money instead of taking a half interest in the business it would be all right.

Mr. SMITH (Calgary West): Blood is thicker than water; he is a brother-in-law.

Mr. ABBOTT: That should make him still more willing to lend the money.

Mr. BENTLEY: Then the other case—

The CHAIRMAN: It is the other case to which I was referring.

Mr. BENTLEY: Then I shall bring it up under section 3.

Mr. ADAMSON: This is a matter concerning a veteran, and since it is a general case I think it should be discussed on section 1.

The CHAIRMAN: Order. There should not be a general discussion of a specific case on section 1. This matter should be discussed under section 3, and I suggest to the hon. member for York West that he also reserve his remarks until that time.

Mr. ADAMSON: This is not a particular case. It deals with the general principle of the bill, and it is along the same line, in regard to the veterans preference, which I do not see comes under section 3 (a). The case is that of three veterans who started in the trucking business; the Minister of National Revenue knows about the case also.

The CHAIRMAN: Order. I think the committee must determine now whether or not it will abide by the rules of the house. I am in the hands of the committee, but according to my interpretation of the rules the discussion upon which the hon. member is now entering would be out of order at the moment, but would be in order under section 3, certainly, and possibly under section 2. It would certainly not be in order under section 1.

Mr. GREEN: With all deference, Mr. Chairman, may I point out that you have not yet heard what the hon. member for York West has to state. He has not gone along far enough to make his case, and I suggest that the discussion which has taken place has really been upon the general administration of the plan. Surely hon. members are in order in asking questions of that type. I have never known the Chairman to prevent discussion of that kind on the first section of a bill.

Mr. ABBOTT: If I may add a word, perhaps it is always a little hard to draw the line between what can and what cannot be discussed under section 1. Perhaps matters relating to the general administration of the bill can be brought up under that section, though I believe that is open to question; but I think specific cases referring to the enforcement of prohibitions, when that is felt to be unfair, or the refusal to give quotas, or the giving of inadequate quotas, should be dealt with under the proper sections; in the case of prohibitions, when we are discussing schedule I, and in the case of quotas, when we are discussing schedule II, which is the quota schedule. Section 3 is the broad, enabling section which provides that no goods will be imported into Canada that are set forth in schedules I, II and III, except under permit; and I should think the door would be pretty wide open under that section for almost any question of a general nature that might be raised. But is it pretty hard to deal with specific cases under section 1.

Mr. ADAMSON: This is a general case that I want to bring up under section 1, and it is along the line of the case previously discussed, in regard to veterans. Here is a case where I think clarification is needed, and I believe this is the section under which it could be given. We were discussing the case of a veteran who owned only fifty per cent of the business. Apparently under the bill he is debarred. Here is the case of three brothers who have invested or borrowed from the government—

The CHAIRMAN: Order. In fairness to the hon. member for Swift Current, I do not think I should allow the hon. member for York West to bring up a specific case. To me it is obvious that it does not come under section 1 of this bill. Definitely it comes under section 3. If the committee wishes to disregard the rules of the house that is agreeable to me, but unless the committee so indicates it is my duty to enforce the rules.

Mr. ABBOTT: If I may add just one word, if the committee will look at section 4 it will be seen that this section deals with exceptional hardship, and the minster is given discretion to allow goods in where there are circumstances which, in his opinion, constitute exceptional hardship. Under that section I should think it would be quite in order to bring up cases which hon. members may feel are unfair; but to do so under section 1, which is the title section, I think is completely out of order.

Mr. ADAMSON: I was not complaining that this case was unfair; I merely wanted to get clarification on a general matter. Here is an instance where we have a veteran owning fifty per cent. Then there is the other question where three veterans are partners, and one is not. Are they debarred under this section?

Mr. ABBOTT: When we come to section 3 I shall try to answer that.

Mr. FRASER: How much has the country saved in United States dollars under this emergency plan of allowing only $150 for travel in the United States?

Mr. ABBOTT: It is impossible to say; any answer given could be only an estimate. Expenditures of Canadians travelling in the United States can be estimated, but only with a reasonable degree of accuracy. The amount which will be saved by restricting those who travel in dollar areas for pleasure purposes

to the amount of $150 once a year can be estimated only in a rough fashion. I believe the best estimate has been that the imposition of that restriction would result in a saving of something in the order of $30,000,000 or $40,000,000 a year.

Mr. FRASER: Has it cut down travel to the United States very much?

Mr. ABBOTT: That is difficult to say. The period of extensive travel is the summertime. Of course it is still open to Canadians to go freely to the United States and take not more than $10 in United States currency and $15 in Canadian currency, as often as they like.

Mr. FRASER: As often as they wish?

Mr. ABBOTT: Yes, that is correct.

Mr. FRASER: What are the regulations in respect of a man or woman under a doctor's care, who is supposed to go south for health purposes?

Mr. ABBOTT: I believe I covered that in my statement. Such persons are allowed whatever is reasonably necessary to enable them to spend the time they are required to spend in the southern United States, or wherever it may be, for medical reasons. The policy being followed there is the same as that followed at the end of the war and immediately thereafter. From what I have been told, I believe the board is pretty reasonable about that sort of thing. There is very little questioning in respect of elderly people who are advised by their medical doctors that they need to spend a month or two in a southern climate. There is very little difficulty about that.

Mr. FRASER: Are applications in respect of persons who are ill made in about the same numbers as in other years?

Mr. ABBOTT: I have not the figures here. However, I could get them, and give them later on.

Mr. JACKMAN: I have one or two questions about the general administration of the bill. It is interesting to learn that, so far, the department has found it necessary to make only fifteen changes in schedule I, seven in schedule II, and only one change in schedule III. It might be of interest to the committee to know how many applications for changes have been made, how many of such applications have resulted in refusals and how many are still pending. If the minister would give us information on that point we might form some idea, despite the minister's statement that they were put on after very careful consideration extending over some months—my own feeling is that they were slapped on in a hurry—as to just how much disruption these regulations have caused in Canadian business.

Mr. ABBOTT: It is difficult to give my hon. friend any accurate figures on that. I suppose every interested party has made representations in the matter. There is a fairly long list of prohibitions, and I believe it is fair to say that pretty nearly everyone affected by the prohibiting list has made representations at one time or another. Other than that, however, I do not think I can give my hon. friend any detailed statistics.

Mr. JACKMAN: The minister did say that he had probably five or six delegations waiting upon him daily.

Mr. ABBOTT: Not daily, no.

Mr. JACKMAN: Weekly.

Mr. ABBOTT: To be fair, I would say they would average a couple a day, or about ten a week.

Mr. JACKMAN: I think the minister did say that the departmental officials had interviewed hundreds. I thought an estimate from the minister would be welcomed, so that we could learn how much of a monkey-wrench these regulations have thrown into the Canadian business structure.

Mr. ABBOTT: We have had all kinds of representations. Perhaps it would not surprise the committee to know that a good many Canadians have come forward and asked that additional items be banned, or placed on the prohibited list. We realize, of course, that it has a highly protective effect; and quite a number of Canadian industrialists, or at least, Canadian producers, have suggested that many United States dollars could be saved if we would add some items to the list, and thereby stimulate production in Canada. However, thus far we have not seen fit to accede to those requests. But there have been a lot of representations to that effect.

Mr. FULTON: As a matter of general policy, has the government any estimates which the minister would be willing to put before the committee as to the period of time which it is expected will elapse before the countries of Europe can be placed sufficiently on their feet to pay us in United States dollars, so that we can begin to take off these restrictions? In other words, how long will this short-range policy remain? When may we expect to begin to put into effect a long-range policy of removing restrictions and expanding trade? Can the minister give us some general indication of his views on the matter?

Mr. ABBOTT: I should like to be able to do so; but I think my hon. friend will realize that that is absolutely impossible. I have never laid claim to having any gifts of second sight, or of possessing any outstanding qualities as a prophet. I would not attempt to do more than say what I have already said, that we consider these restrictions as essentially temporary restrictions. When the world will be in a position where we can be paid in cash for what we have to sell depends upon so many factors which are completely beyond the control of this country, that I am not prepared even to hazard a guess.

Mr. FULTON: Perhaps I should not have used the expression, "make an estimate." But we are given to understand that the program was an expedient. We were told that the government had a definite policy for expanding Canadian trade along the lines of the Geneva trade agreements, and that this measure became necessary to conserve United States dollars. Just the other day the minister made a speech in Montreal in which he said how many Canadian dollars had been saved.

Mr. ABBOTT: I told the house before. I gave no new information in Montreal that I had not given here.

Mr. FULTON: The minister told how many Canadian dollars had been saved. Can he say when we can take off these restrictions? The government must be working, having in mind some sort of estimate as to the effect of the Marshall plan, and how soon the Marshall plan will enable Europe to pay in dollars for what she gets from us. I am asking the minister if anyone has been able to formulate a reasonable estimate as to how such European recovery will progress, and a time limit as to when we may be able to begin taking off these restrictions; or is the matter entirely in the hands of Providence?

Mr. ABBOTT: In the first place, the figures I have given do not necessarily indicate how much we have saved. It is some indication of what our reserve position was at that time. I think it is a fair inference to say that the improvement was due, in part at any rate, to the actions which had been taken.

As to giving an estimate as to what the results may be in the future, my opinion is, and this is confirmed by the best advice I can get, that it is far too soon to attempt to hazard a guess. I uttered a note of caution the other day when I gave figures in the house which showed what these reserves were. I cautioned the house and the country that one swallow does not make a summer, that there is a long road ahead. After all, a great part of the world is in a very difficult trading position at the present time. No matter how we in this country may try, and successfully try, to expand our exports to dollar markets, we cannot expect to be wholly prosperous, as I said in Montreal yesterday, in a prosperous dollar area with a depressed soft currency area. The net result must be that, as regards countries of western Europe and Asia, to which we have made such a substantial contribution in proportion to our means to get them back on their feet, the ultimate solution of our problem and that of others will have to be that those efforts must be successful. I am not going to attempt to hazard a prophecy or guess as to how we might have to continue some kind of appropriate action to conserve our exchange reserve position.

Mr. MACDONNELL (Muskoka-Ontario): You do not think it will be just a matter of months?

Mr. MERRITT: I appreciate the minister's frankness when he says that he has no idea how long these restrictions will have to be continued. I do not suppose it is possible to make a specific estimate as to the time when the restrictions can be removed. However, that only serves to show more clearly the difficult position into which the government has got this country. It shows how, by the provisions of this bill, the country is placing itself indefinitely in the hands of one or two men.

I see the heir apparent, the Secretary of State for External Affairs, laughing when I suggest that it is the government's policies which have brought this policy to its present condition but during this debate we have had from more than one source substantial reasons why this is so, chief of which is the action of the government in returning the dollar to par.

Mr. ABBOTT: That would have fixed everything.

Mr. MERRITT: There has been very close control exercised by the government over all affairs of the country all the time since the war. Does the Minister of Finance know when he will be able to remove these restrictions? There are many manufacturers and agriculturists who would find it very useful if they had some forecast or knew that there was some "time certain" within which they could arrange their affairs and decide either to go into or out of business as a result of this new situation.

Mr. ABBOTT: A lot of people would like to know when the stock market is going up.

Mr. MERRITT: I was interested a moment ago when the minister pointed out that quite a few Canadians had come forward to ask to have goods placed on the prohibited list. I think he was trying to suggest to the committee that there was something wrong with that, that such a measure of protection should not be granted to Canadian manufacturers or producers. I want to remind him that in this legislation he has taken very good care indeed to look after the business interests of United States firms. The non-discriminatory provisions of this legislation are based upon the idea that, no matter what Canada's situation may be, no damage must be done to United States commercial interests. I see no reason why Canadian commercial interests should not receive as much advantage as possible in our present difficulties.

I am not suggesting that he accede to all requests for embargoes which amount to prohibitive tariffs. But I can see that in the case of goods produced in the proper quantities United States exchange would be saved and Canadian producers would be benefited. It is quite probable that more employment would be created. I suggest that if the minister could tell our manufacturers and agriculturists that there was a time certain within which the restrictions would not be taken off it would enable them to carry on business with profit to themselves and to the people of Canada in producing the things which we need. It would perhaps assist in keeping down the cost of living.

It would not matter if the minister does not know exactly the time when the restrictions would be removed. In the case of agricultural production he could guarantee the growing season. Then these producers would be able to plant a certain crop and be sure that they would not be faced with dumping just when it was to be harvested. In the case of manufactured goods it might be that many industries could go into the production of goods which are now being imported if they had a time certain within which these measures would apply. The Canadian people would benefit from the goods produced. It would not matter if, in fulfilling that undertaking, the restrictions with respect to the particular commodities had to be maintained a little longer than other restrictions. I think that is a matter which the minister should look into most carefully. There is no reason at all why the interests of the Canadian people and the Canadian producers should not come first in his mind.

We have had examples of people wanting to grow vegetables under glass and things like that. When I was home in Vancouver at Christmas time I had an inquiry from a business firm which for many years had had business connections with manufacturers in the United States. This firm asked me if I knew how long these restrictions would continue. I said I had no idea and I asked why they asked that question. I was told that they were considering what they would do in the future. They said that if the restrictions were to be maintained for years they would have to look into the question of whether they should change their agency to principals who could supply goods within the government's regulations, whether they should go into manufacturing for themselves or what they should do. They pointed out, of course, that if these restrictions were to be of a short-term duration they would not like to upset their long-term arrangements. The minister must know that these considerations are important, and they concern many businessmen across Canada. The fact that he cannot tell us for certain the date on which the restrictions will have to come off, and when the Marshall plan will come into effect, does not relieve him of any responsibility to give a lead to Canadian business and agriculture on this vital point of the restriction program. I urge him to relieve the people of Canada from uncertainty, even though he cannot relieve himself of uncertainty in this respect.

Mr. POULIOT: Mr. Chairman, the suggestion of my honoured colleague the member for Vancouver-Burrard is certainly worthy of consideration. I listened to him with great interest, but he should make some more precise suggestions to the minister and tell him what, in his view, is the time that should be taken to continue these controls in the interests of the farmers and the producers. I understand very well that it is embarrassing for the producers when there is a change in tariff. We complained of that a long time ago, and conditions are similar. A tariff must have a certain amount of stability, and in that there is a lot in what he said. He has spoken in a persuasive manner, and I am sure that he got the ear of the minister.

First, he complained that the cabinet ministers who are sitting on the treasury benches were smiling while he was speaking. There are two obvious reasons for this. In the first place, evidently they were enjoying his speech and, in the second place, they are naturally cheerful. It is a very good thing for cabinet ministers to remain cheerful in such circumstances as these, and it is to their credit.

The hon. member for Vancouver-Burrard has not always a smiling disposition. He sees

everything in dark colour. As a member of His Majesty's loyal opposition it is naturally his duty not to see everything in rose and pink. I understand that. I do not agree with him but I understand it. However, he should not blame the ministers for their naturally good dispositions, especially when they listened so attentively to him. By smiling when he is speaking, it shows that they appreciate his grains of wisdom.

Mr. GREEN: They are smiling at you now.

Mr. POULIOT: No; it is the smile that they had when the hon. member for Vancouver-Burrard spoke, which is still continuing. They enjoyed the speech so much that they still enjoy it, although he has ceased to speak and although I am speaking myself; it is a credit to him, and I congratulate him for having achieved such success.

Mr. MERRITT: May I ask one further question? The smile of the nature to which the hon. member refers I would reciprocate, but the smile I referred to was not one of those smiles, I am afraid. The question I want to ask is this. How far does this bill or the present order in council bind government agencies? For instance, the Commodity Prices Stabilization Corporation is an agency of the crown. Is that agency bound by the prohibitions, quotas and restrictions of this bill?

Mr. ABBOTT: The bill binds all corporations. Of course it does not bind the crown.

Mr. MERRITT: Perhaps the minister can give me a non-technical answer. Will the Commodity Prices Stabilization Corporation be given a quota for quota goods, and will it be unable to import prohibited goods?

Mr. ABBOTT: It is bound by the bill, yes.

Mr. MERRITT: I understand that either in December, or at some time when these restrictions became current, the corporation, either directly or through agents, purchased 200 cars of shelled peanuts in the southern states, and I have information that shelled peanuts were available in Fiji and in India, and in other sterling area countries. I was also informed when I was in Vancouver, although this is on a much more minor section—

Mr. ABBOTT: Did my hon. friend say they were shelled peanuts?

Mr. MERRITT: Shelled.

Mr. ABBOTT: These are not either banned or under quota. They are free; anybody can bring them in.

Mr. MERRITT: Yes.

[Mr. Pouliot.]

Mr. ABBOTT: Nuts in the shell are under quota or banned, but not shelled peanuts.

Mr. MERRITT: These nuts were bought from the United States, of course. I understand that United States dollars were paid for them by a government agency. I am suggesting, and my information is, that similar nuts were available for sale in sterling area countries.

Mr. ABBOTT: They are in very short supply, and are part of our international allocation in the oils and fats administration. Peanut oil is made from them.

Mr. MERRITT: If the minister will let me finish what I want to say I should then like to hear what he has to say in reply. In a much more minor key I was advised recently that a government building in the city of Vancouver has to buy a well-known United States type of floor wax. My informant claimed that there was a very good Canadian substitute which could not be purchased because of the policy of the Department of Public Works or whatever department is concerned. I should like to ask the minister—and it makes no difference whether peanuts or floor wax do not come under this bill—whether the government in its own purchasing is observing the spirit of the austerity program in the same way as it is insisting that it be done by private individuals across the country? Does the government make sure that, before it purchases anything with United States dollars, it cannot get the article it wants from any Canadian or non-United States dollar source. Is there any policy on that point?

Mr. ABBOTT: The government observes these restrictions the same as anyone else. I cannot give my hon. friend the categorical assurance that some government purchasing department may not purchase some floor wax which it might have got in Canada. If we knew about that we would not permit it. The general rule is, of course, that the government departments are observing the law and are subject, in fact, to the same rules exactly as anybody else. The government purchases its supplies through the ordinary channels of trade. It is not, as a rule, a direct importer of anything.

Mr. MERRITT: I should like to suggest to the minister—if no special instructions have been given to this effect as a result of the restriction program having come into force that the government now see to it that such instructions do go out and that govern-

ment agencies conserve United States exchange just as private persons in the country are required to do.

Mr. ABBOTT: They do. The government buys supplies through the ordinary channels of trade. It is not a direct importer. I should qualify my statement there. We do import certain military supplies from the United States; but so far as ordinary civilian supplies are concerned, they are purchased through the ordinary channels of trade in Canada, the same as anybody else purchases them.

Mr. MERRITT: They are purchased here. The Commodity Prices Stabilization Corporation and the Canadian Commercial Corporation must be subject to government policy in that respect. Surely, if they are not—

Mr. ABBOTT: Of course they are.

Mr. MERRITT: Then, surely in these circumstances specific instructions should be given to these bodies to purchase in non-dollar countries where they can.

Mr. ABBOTT: Perhaps my hon. friend would be satisfied if I told him that the president of the Commodity Prices Stabilization Corporation is the chairman of the war-time prices and trade board, and is the assistant deputy minister of finance who is specifically charged with the administration of the emergency control division. So he can rest assured that the Commodity Prices Stabilization Corporation is observing the so-called austerity program.

Mr. MERRITT: I might observe, Mr. Chairman, that I would not be wholly satisfied with that since the minister is here himself and he could, if he would, give the assurance I asked for.

Mr. LENNARD: With respect to what the hon. member for Vancouver-Burrard had to say in connection with growers, I have particular reference to those who grow under glass, the greenhouse men. In answer to a suggestion of the hon. member for Temiscouata that the minister should have some direction, I might say that a crop of tomatoes grown under glass takes four months, and if there is to be any change in the regulations and there is an increase in the growing of tomatoes for the spring crop, if these regulations are taken off by the end of May it will be a non-profit crop for those who would be sacrificing another crop to grow foodstuffs needed in this country.

Another point I wish to bring up, a general point, is that the florists of the country—I do not mean the flower shops, but those who grow flowers—are not buying bulbs for spring planting. They do not know what the regulations will be in May around Mother's day, when formerly great imports came from Florida and the southern states. They do not know whether the restrictions will be in force then. They do not know what to do at the moment, and that is the situation as far as the growing trade in eastern Canada is concerned. I know something about the matter, and I can assure the committee that these people do not know where they stand. Someone has foolishly told them that these restrictions will be lifted about March 31. I am sure that is not the case, but they do not know that, and the whole thing is in a muddle.

Mr. ABBOTT: I received a delegation from the vegetable growers, and they brought up the question whether they could get an assurance as to how long the restrictions would be in effect. They referred to the growing of tomatoes and lettuce under glass and to the expansion of hothouses. I told them—and I am sure they were not surprised—that I could not give any assurance that this measure was a protectionist measure and that anybody who expanded the production of hothouse tomatoes or lettuce must take whatever business risks were involved in doing so under our system. If they planted and the restrictions were still on, they would make a handsome profit and if they planted and the restrictions were not on, they would not. That is a part of the system, and I told them I could give no assurance as to when the restrictions would be taken off. They were not on as a protectionist measure but as an emergency measure, and that was a business risk which they would really have to assess for themselves.

Mr. FULTON: That is not a business risk. That has been the objection to so many of these things. Government interference with the ordinary cycle of marketing, whether necessary or not, creates hazards that cannot be called business risks. No one has asked that this be turned into a protective measure. But you have interfered with the Canadian economy and we say that you should now try to alleviate the effects of that interference as much as you can. Where you have created tremendous uncertainty, try to minimize that uncertainty by introducing a little certainty. If you tell them, "We will not take it off for six months or even three months", you will give them that degree of certainty. That is not a protective measure. It is a measure of common sense, and to refuse to do it is to blind your eyes to the disastrous effects that these things are having, effects which they need not have at all.

Mr. ABBOTT: No one need go ahead and build more hothouses to grow more tomatoes and lettuce.

An hon. MEMBER: Why not?

Mr. ABBOTT: If they want to do so they do it at their own risk. We are not putting on prohibitions to encourage the production in this country of hothouse tomatoes and lettuce in the winter. Why should we? If conditions were normal it would be far better to buy lettuce and tomatoes where they are grown naturally in the open and to sell something else to the United States. This measure is not put on as a protective measure to enable industry to expand or increase behind what is the greatest form of protection, namely a prohibition. It is not for that purpose. It is a temporary measure because we have to do it. It is put on reluctantly, and anyone who expands production in a particular field, relying on the protection which is afforded by these prohibitions, must do so at his own risk.

The DEPUTY CHAIRMAN: What is before the committee now is simply the short title, "This act may be cited as the Emergency Exchange Conservation Act". The rule is very clear. Standing order 58 states that speeches in committee of the whole house must be strictly relevant to the item or clause under consideration. I wish to appeal to hon. members to try to conduct the business of the house in an orderly way. There is no reason in the world why we should discuss all these matters on the short title. When we come to the different clauses these matters can be discussed in their order. I think hon. members ought to agree now to follow the rules of the house. I appeal to them to pass this clause and get on with the clauses that deal with any of the matters which have been brought up under clause 1.

Mr. LENNARD: There is one point I want to call to the attention of the Minister of Finance. I did not for a moment intimate that the acreage under glass should be increased by one foot. I wish that distinctly understood. But the growers want to know what to grow that will be most beneficial to the people of Canada. Would it not be better to grow vegetables than flowers, something necessary for the people.

Mr. ABBOTT: I should like to be able to help the growers. My hon. friend has asked a direct question. I do not know that it is very much better for the people of Canada to have hothouse lettuce grown in Canada than hothouse flowers. It is fifty-fifty. Obviously there are not enough hothouses in Canada to provide everyone who wants lettuce with that vegetable. Lettuce grown in winter is a straight luxury commodity, and I consider that the people who want to buy hothouse lettuce in winter can pay the price if they have the money. If you were importing lettuce, if you had the United States dollars to import it in volume from the United States or anywhere else at reasonable prices, and if everyone could buy it, well and good. But when you cannot do that, then I say that lettuce grown under glass is a special luxury product which those who can afford it can pay for.

Mr. GREEN: On a point of order, Mr. Chairman, before you took the Chair we had a discussion with regard to what would or would not be in order on this section. The Deputy Speaker was then in the Chair, and it was pretty well agreed on all sides of the house—and certainly he did not question us on our submission—that any discussion of general adminstration of the plan would be in order on this first section.

An hon. MEMBER: That was not agreed to.

Mr. GREEN: We were not ruled out of order. The Postmaster General has been sitting here all evening and he did not make one peep about its being out of order.

Mr. ABBOTT: The Deputy Speaker was doing his best.

Mr. GREEN: The questions asked in the last half hour have been all of a general nature having to do with the general administration of the plan, and I submit to Your Honour that as long as they are of that type they are in order. I agree that if we were dealing with questions which could be brought up under specific sections, the questions would not be in order, but that is not the case.

The DEPUTY CHAIRMAN: In answer to my hon. friend I would say—and I think he will agree with me—that many of the questions which were raised would be more properly raised when the various clauses are before the committee. I would point out that before six o'clock I made an attempt to get the members of the committee to deal with this bill in an orderly manner; that is, to deal with clause 1, which is only the short title, and then go on with the other clauses and deal with the different matters which have been discussed here. But we have not reached the other clauses at all. Surely my hon. friend does not contend that this is an orderly and proper way in which to deal with

the bill. On the contrary, it is altogether out of order. There is no rule that permits it. I want to appeal again to hon. members to try to deal with the business in the way in which the rules provide that it should be dealt with. It is not a pleasant thing for the Chairman to be obliged continually to call hon. members' attention to the rules. Every hon. member should try to assist the chair in seeing that the rules which are laid down for us are complied with. I think we should abide by them. I appeal again to hon. members to try to get on in an orderly way and deal with clause 1.

Mr. POULIOT: Mr. Chairman—

Mr. ROSS (St. Paul's): I should like to ask the minister a question.

This comes under the general heading. I do not think it will be out of order. This bill deals with the question of saving exchange.

The DEPUTY CHAIRMAN: Order.

Mr. ROSS (St. Paul's): I do not intend to deal with what is in the bill. I want to ask a question.

The DEPUTY CHAIRMAN: Order. The clause that is before the committee now is the short title; that is all. I think my hon. friend will find other clauses—

Mr. ROSS (St. Paul's): Emergency exchange.

The DEPUTY CHAIRMAN: —as we go along, under which he can deal with the problem he has in mind.

Mr. ROSS (St. Paul's): I have not stated it yet.

Mr. POULIOT: I abide by your ruling. Mr. Chairman.

Mr. ROSS (St. Paul's): Mr. Chairman—

Mr. POULIOT: I will not discuss your ruling, Mr. Chairman; I abide by it.

Mr. ROSS (St. Paul's): —I have the floor.

Mr. HARTT: Who said so?

Mr. POULIOT: I am sorry, sir, but I think I have. We are dealing with the short title, which reads as follows:

This act may be cited as the Emergency Exchange Conservation Act.

Mr. ROSS (St. Paul's): That is what I said.

Mr. POULIOT: This is the first time that I can repeat what has been said by St. Paul's without making a mistake. I would suggest to the minister that he change the short title so that it reads in this way: "This act may be cited as the barter act." Barter should be a detour around United States dollars. The trouble now is that everybody is inclined to adopt new fashions. Why should we always stand by the United States dollar, speak only of the United States dollar from dawn to dusk and from dusk to dawn, and think only of the United States dollar as a means of exchange?

In the first place, the purpose of exchange is to correct the difference in a transaction which is made between two parties. Usually goods are exchanged and the difference is paid in dollars. But when we hear of the dollar as being the principal in a transaction instead of the accessory, one falls into the error of the Social Credit group. My suggestion to the minister is to trade by means of barter, to barter with all the countries that have not enough United States dollars with which to pay for Canadian goods. Only last year I made a practical suggestion to the minister regarding the income tax, namely, to replace the income tax by another kind of taxation that would not be so hard on the Canadian taxpayer. This time I suggest to him that he put aside the United States dollar and practice barter, and that he assist Canadian exporters and importers to barter with all countries of the world which have not enough United States dollars with which to make full payment for Canadian exports. That would be a way to recovery, and it would show the people of the United States that we may become independent of them.

Why should we always be subservient with regard to the people of the United States? There is no reason for it. South of the United States is a republic which is entirely independent of the United States. There are some United States investments there as there are some here; but they do their business with the United States and they can do so well that one official of the government—not a responsible gentleman, but one of the deputies—said not long ago that our trade with Mexico could amount to $100 million a year. Is it possible for Mexico to pay us in United States dollars? I doubt it. But we could practise the exchange of goods. Therefore there should be an entirely different trade policy. We should have a trade policy that would mean something to the Canadian people. In this country we have primary products and manufactured goods that we could exchange for primary products and manufactured goods of any other country in the world. At the present time what is the plague of the United Kingdom? It is that they have not enough United States dollars. But those people from Cripps down to the last cabinet minister are devoid of imagination. When they start with the wrong

fashion, they think they are bound to continue to follow that fashion. They are entirely devoid of imagination, which should be the first quality of those who frame trade policy or any other policy of importance to the country. This is just an idea that is put forward, and I may tell the minister that I am not the first one to suggest it.

A long time ago, when Mr. Stevens was Minister of Trade and Commerce and when Brazil was throwing coffee into the ocean, I said it was a crime to throw away a commodity like that which had value. They had over-production. They were not using the coffee at all; they were throwing it into the Atlantic ocean. We could have exchanged wheat for coffee. I made that suggestion to Mr. Stevens, who was minister of trade and commerce, and he said it was worthy of consideration. That is just what I said a moment ago, of course entirely without authority, to the hon. member for Vancouver-Burrard. Many others have suggested it. Only this winter, around Christmas, on the first page of the Montreal *Gazette* I read that no less a man than Colonel Horace Boivin, mayor of Granby, who has visited every country in Europe in the interests of Canadian manufacturers, advanced exactly the same suggestion. Therefore it is not only the suggestion of the member for Temiscouata; it is the suggestion of many people.

Trade is not only a question of banking. Banking is secondary in trade. What is essential is the exchange of products. Here I pay special tribute to the producers of this country in every field; the farmers, all the producers of primary products, the fishermen, and the producers of manufactured goods. But they need the assistance of the government. They need the help of our trade agencies, call it commercial intelligence or what you like. They need the help of our consuls and our so-called ambassadors to promote Canadian trade. These gentlemen do very little for better political understanding among the nations. They should prove their usefulness in promoting Canadian trade, in helping out those who have something to sell and those who wish to buy. For a time it was impossible to learn anything about imports; the figures were not given by the predecessor of the hon. gentleman who is piloting this bill. It was impossible to get any information about imports. Now we hear only about imports, and the figures in regard to exports are false. Our trade is fictitious. Let us come back to real trade. Let us barter our goods with the other nations of the world, and let us be free of the United States dollar.

[Mr. Pouliot.]

Mr. MacINNIS: I rise to a point of order. During the short time we were discussing this matter this afternoon various hon. members were ruled out of order for making speeches which were not nearly as far from the subject, from my point of view, as the one just made. I think hon. members should be uniformly kept within the same limits.

Mr. POULIOT: My speech was absolutely relevant, because it was in reference to a suggestion I made to the minister about changing the short title. It was relevant from A to Z, and my hon. friend knows it.

Mr. MacINNIS: My hon. friend might have made the suggestion, but there was nothing in his speech that had anything to do with changing the title.

Mr. POULIOT: It all referred to the suggestion I made about changing the title.

The DEPUTY CHAIRMAN: The point raised by the hon. member for Vancouver East is perfectly correct. I agree that the speech just made was not in order, just as many others this evening have not been in order. That is what I am appealing to hon. members to avoid, and again I would ask their co-operation.

Mr. ROSS (St. Paul's): I shall try to do as you say, Mr. Chairman, and stay in order; I like you so well I would not want to go against your wishes. However, the only place I can find to say what I have to say, which will be brief, is in connection with emergency exchange. The idea of the bill is to save United States exchange, and my suggestion is this; I do not know whether the minister has already adopted it. I think he should make an appeal to the Canadian people telling them to buy Canadian, to buy British, to buy French. If he made it a real appeal I am sure he would save a good many United States dollars. I believe a great many things which are now being bought American would be bought Canadian if the right appeal were made by this government.

Mr. ABBOTT: Just in reply to that suggestion, may I tell my hon. friend that we published a couple of advertisements in the daily press throughout Canada, in order to reach as many people as possible, pointing out some ways in which we felt this emergency could be met. We said:

> Do not order goods by mail from other countries . . . do not buy goods to bring home when you travel outside Canada.
>
> If you feel some purchase is absolutely essential, see your collector of customs and excise beforehand to learn whether the item is prohibited.
>
> Look for alternatives or substitutes for the items which are temporarily prohibited.

In the opening paragraph of the advertisement, which emphasized why this was necessary, we said:

> Canada is heavily "in the red" in present trading with the U.S. dollar area. In our total trade with the world we are in a good position but not in that part which is done with the U.S. dollar countries. Other countries with whom we do business cannot pay us in full, either in cash or in goods, for the things they buy from us. . . .
>
> There are two things we can do at the moment . . . cut down unnecessary purchases from the U.S. dollar area and increase our production of goods that can be sold to those countries to balance accounts.

Mr. ROSS (St. Paul's): But you do not say why.

Mr. FLEMING: Why not say "Buy Canadian"?

Mr. ABBOTT: That is a slogan. It is a necessary inference from what I have read: "cut down your unnecessary purchases from the U.S. dollar area." What else can it mean?

Mr. ROSS (St. Paul's): You could say "Buy Canadian" and "Buy British."

Mr. ABBOTT: Well, I really give the Canadian people credit for enough sense to believe they will take that for granted.

Mr. FLEMING: Just before six o'clock the minister, in referring to the schedules and also, I think, to the provisions of P.C. 4678, said they represented months of work, by which I took it he meant that months of work had been applied to the formulation of those provisions before they were promulgated on November 17. Would he expand his remarks somewhat and indicate to the committee when this work was begun?

Mr. ABBOTT: I do not know that I can give my hon. friend an absolutely accurate answer, but broadly speaking I should think it was about midsummer. About that time it was realized that it was quite possible import restrictions might have to be resorted to as a method of conserving our United States dollar reserves. It was realized by those who know something about these matters that it would not be possible to create overnight a workable and appropriate schedule for putting into force such import restrictions; and about the middle of the summer we set up an interdepartmental committee, of which the present assistant deputy minister of finance was chairman, to study the question of what import restrictions could or might properly be imposed should it be decided to take that step.

Mr. FLEMING: Then may I follow that up with two other questions? The first is, were the tariff experts of the Department of National Revenue, on the customs side, consulted in that work?

Mr. ABBOTT: They were on the committee.

Mr. FLEMING: Second, what was the total of gold and United States dollar holdings in Canada at the time that work was begun, which the minister says was midsummer?

Mr. ABBOTT: I have not that figure available here, but I think I gave that information in reply to a question by the leader of the opposition at the very outset of the session. Those figures are on *Hansard,* or were tabled early in the session.

Mr. ADAMSON: I want to move an amendment to clause 1, the short title. I do not think the word "emergency" is justified at the present time; I think the word should be "chronic". I do not see how we can get the word "chronic" into the title of the bill, but the situation nevertheless is chronic.

Two years ago we warned—I certainly warned—that our exchange situation was going from bad to worse. It was aggravated in 1946 by the parity action. Times without number I said in the house that the government would have to take restrictive measures and would have either to impose embargoes or to put on tariffs, restrict dollar exchange, restrict trading in dollars and eventually devalue.

They paid no attention. They found themselves eventually squeezed and squeezed and squeezed into a corner, like a rat, and having now to take these actions belatedly. As I said when I spoke on the bill, they will have to take action, and even more stringent action, before they get out of the impasse they were in.

Mr. ABBOTT: Some people hope they will have to.

Mr. ADAMSON: I wish to mention one thing, and that is that today it was announced that the United Kingdom deficit, hard currency, in gold, amounted to £1,023 million sterling for the trading year of 1947 just past. If anyone in Canada is sanguine enough to believe that, unless we are prepared to go on a completely free economy, this country will ever in the near future be able to overcome the very serious dollar deficits, then their thinking is entirely wishful.

Therefore I move:

> That the word "emergency" be stricken from the short title, so that the bill will read, "The Exchange Conservation Act."

I believe we cannot foresee the day when we shall not have to have exchange conservation acts. And to call this an emergency, or to refer to it as an emergency—well, it is an emergency, but it is more chronic than emergent. To refer to it as an emergency, and to suggest that it will remain such, merely makes the operation of the act more unsettling than it normally will be. From that fact it upsets people who are growing vegetables and producing other embargoed goods. The very word "emergency" makes the operation of the act more hazardous, and adds greatly to the uncertainty of the situation.

We have a problem which will be with us for a long time. The very action that is taking place in the commodity markets and the stock markets of the world in the last week shows that what has happened has intensified our problem. The matter is of the utmost seriousness. It is, in very truth, an emergency; but to call it an emergency and to assume that it is of a temporary nature is, I think, unwise and unsound. The Canadian people should realize the true situation we are in. Therefore I have pleasure in moving this amendment.

Mr. BERTRAND (Laurier): Would the hon. member be good enough to tell us the last time he warned the house about what would happen? I should like to read it.

Mr. ADAMSON: On the last day of the last session I said that you have to get down to devaluation, that it would start before you came back here. France devalued, and England will devalue—she cannot help it. I also said—

Mr. BERTRAND (Laurier): Would the hon. member—

Mr. ADAMSON: You asked me a question; let me answer it. I spoke on the budget last year and, although I have not the copy of *Hansard* with me, I said on July 17 that there were three courses of procedure open to the minister. He had to take them and he had better take them before he ran out of hard currency and gold. He could put embargoes on, raise tariffs right across the board, put on restrictions with regard to United States dollars and hard currency, and devalue the dollar. There are three weapons you can take to overcome the hard currency deficit. He has taken two and a half of them. I feel that the third one will be essential.

That was said last summer. And speaking during the second session I said virtually the same thing, namely, that our monthly deficit of hard currency was rising and that the nest-egg of $1,600 million would run out, I estimated some time this spring.

The true state of our position with regard to gold and United States currency was asked from the minister recently. He gave a general statement, but he did not bring out the difference between gold and hard currency, and United States dollars. We do not know how much British gold and gold from other sources was shipped in and earmarked. We have just the general overall figure of the gold and hard currency held.

I suggested a year and a half ago that we would run into the impasse we are in today. We are in it now and, Mr. Chairman, with all due respect to the government, we shall be in it for a long time to come. And if we are not prepared to face the facts, then the whole bill is just wishful thinking and a palliative, and we are in for a worse time than this government ever contemplated.

Mr. ABBOTT: Just a word in answer to the hon. member. I do not know how serious he is in suggesting his amendment. He admits that this is an emergency, but suggests that the use of the word "emergency" in the title suggests that it is for a short time. I do not know that I agree with him on that.

It is true that he has been an advocate of devaluation for some time, and there are a great many people in this country who would like to see the devaluation of the dollar. They would benefit by it.

Some hon. MEMBERS: Oh, oh.

Mr. ABBOTT: Yes, they would; I know they would; make no mistake about that. There are advocates of devaluation, because, among other things, it would benefit some lines of endeavour that they would be in.

Some hon. MEMBERS: Oh, oh.

Mr. ABBOTT: I seldom interrupt other people. I am not questioning the fact that the hon. member for York West has advocated devaluation for a long time; but I do not agree with the assertion which is made here that devaluation is inevitable. I see very little useful purpose in putting it forward. And when he suggests or implies that the position of France is the same as that of Canada and that because France found it necessary to devalue Canada should, in my judgment he is talking nonsense. The situations are not comparable at all. France was not in a position to export because her prices were too high; the goods were too high. That is not so with Canada.

Mr. ADAMSON: If the minister can read anything in what I said where I even remotely suggested that our conditions were the same as those of France, then I suggest very seriously that he see an alienist. I was replying to a question put by the Postmaster General. He asked when I had advocated these three measures in the past. I suggest to the Minister of Finance that perhaps in a court of law he would be considered to prejudice his case when he says that I have advocated devaluation alone. I said that there were three weapons which the government could use. They have used two of them, or perhaps two and a half, but in my opinion they will have to use the third.

Whether the situation in France will have a chain reaction cannot be known, but I merely say that the thing that started to drive all currencies off the gold standard in 1931 or 1932 was the failure of a comparatively small bank in Austria, the Creditanstalt. That started the chain reaction, which led directly to the bank panic in the United States. I do not say that the devaluation of the French franc will start a chain reaction throughout the currencies of the world, but I do say that when you have currencies artificially pegged at a false parity very much higher than the price at which they are bought and sold in the open market, then you are in an extremely dangerous and unsound economic position and one out of which this country is not likely to get for a considerable period of time.

To throw out the rather nasty innuendo that devaluation would benefit some is, I think, unworthy of the minister. It is the sort of glib gibe we are too prone to expect from him lately. When he looks at the whole picture and gets a more oriented and mature view of the thing I think he will see that the forces which are at work in the world today are much greater than those which can be controlled by his government, by his advisers or by the people in Ottawa. The situation is worldwide. Unfortunately we are in it and cannot get out of it without taking continuous measures to conserve our hard currency. The fact that you call it an emergency and regard it as temporary is simply deluding the Canadian people.

Mr. QUELCH: When the hon. member for York West was speaking I could not help but think it was a pity that he had not a better appreciation of the world situation at the time we were discussing the Bretton Woods agreements. At that time he supported them, but I notice from an article of his which appeared in the *New Liberty* magazine he is advocating that we withdraw from the international monetary fund. It will be recalled that when we were discussing Bretton Woods we criticized the proposal to value our currency in terms of the United States dollar, having only the right to devalue it by ten per cent. We have since then seen nations of the world being forced to break away from the fund because they could not devalue their currency by more than ten per cent.

As I understand it, the purpose of this measure is to conserve United States dollars. That being the case, I should like to ask the minister why the government has considered it necessary to place prohibitions against imports from the sterling area. I am well aware that under the Geneva trade agreement we have agreed to a policy of non-discrimination, but I realize also that there is an escape clause which permits a nation with an unfavourable balance of trade to place prohibitions against imports from a nation with which it has an imbalance without placing similar restrictions or prohibitions against imports from nations with which it has a favourable balance of trade.

Surely that escape clause was meant to cover exactly the situation that we have today in Canada? We have an imbalance of trade with the United States, while we have a favourable balance of trade with the rest of the world. One of our main difficulties is to get sufficient goods for Canadians to consume without having to use United States dollars. Apparently Great Britain has certain goods which we need and which are available for export to this country. Surely the logical thing is to do everything in our power to encourage imports from the United Kingdom. I know the minister has said that the amount of business covered by this prohibition is small, nevertheless it is a certain amount of business. Why should we discourage importations from the United Kingdom when we have a favourable balance of trade with that country?

Mr. ABBOTT: I have already said why, and I can say it again. Does the hon. gentleman suppose that there is any country in the world which has a greater interest in the principle of non-discrimination than Canada, both because of the volume of our external trade and because of the triangular pattern of that trade?

Mr. QUELCH: That is not satisfactory at all. In that agreement there is an escape clause to deal with the very situation which exists in Canada. We can take advantage of

the escape clause without violating the principle of non-discrimination. Otherwise, why is the escape clause there?

Mr. ABBOTT: We do not want to violate it, but we do want to set an example. As I have said two or three times, the amount of business is negligible, whereas the benefits to be got from this restrictive program are tremendous.

Progress reported.

BUSINESS OF THE HOUSE

Mr. MACDONNELL (Muskoka-Ontario): Is there anything further to be said about the business on Friday? As I understood the Prime Minister, he said that, first of all, we would go on with Bill No. 3, and then he said the minister might wish to do something different.

Mr. ABBOTT: As the Prime Minister announced, we shall proceed tomorrow with the debate on the address. Due to an engagement which I made a long time ago it will not be possible for me to be in the house on Friday. I had proposed speaking to the leaders of the parties tomorrow to see what arrangements we might make for business on that day. I shall be available tomorrow and Thursday to proceed with this bill, but I would assume that hon. members would want to continue with the previous arrangement for the debate on the address on Wednesday and Thursday.

Mr. KNOWLES: Why not switch Friday for Thursday?

Mr. ABBOTT: That would be absolutely satisfactory so far as I am concerned. I would be glad to proceed with the discussion of this bill on Thursday if that met with the wishes of all parties; but perhaps we had better leave that until tomorrow and either I or the whips could discuss that question.

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

HOUSE OF COMMONS

Wednesday, February 11, 1948

The house met at three o'clock.

HOUSE OF COMMONS

FAILURE OF BOILERS IN CENTRAL HEATING PLANT

Mr. SPEAKER: I consider it my duty to inform the house that this morning I received many calls from hon. members complaining of the temperature in this building. Some hon. members suggested to me that under the prevailing conditions there should be no sitting of the house this afternoon. Hon. members will realize that it is for the house itself to decide whether we should sit or not.

I communicated with those who are responsible for the heating of the building and was informed that there had been an accident in the central heating plant, but they hoped that sometime about noon or one o'clock today they would be able to send some steam into the chamber. Just before coming into the house at three o'clock I was told that unfortunately the repairs had not yet been made, and that it would be impossible to heat the building this afternoon. I thought it my duty therefore to bring the facts to the attention of the house. The temperature in this chamber is now about 64 degrees, and in some parts of the building it is only 60.

I thought that before we proceeded with the business of the house hon. members would like to know these facts so that the house might decide whether there should be a sitting this afternoon. Those who have been complaining about the temperature cannot expect any improvement this afternoon.

Mr. GREEN: Mr. Speaker, may I suggest that it would be well if we could have our sittings in Vancouver?

Hon. ALPHONSE FOURNIER (Minister of Public Works): Before the house comes to a hasty decision as to whether we should sit or not, I should like to make the following statement.

On account of the unduly severe weather that has prevailed during the present week it was necessary to force the capacity of the plant to the extreme limit, and under such circumstances one boiler failed. The central heating plant is composed of six boilers, all of which are connected to a central manifold, and they have been used and have met the demands imposed upon them even with the additional temporary construction that was put up during wartime. One boiler failed in a minor way at midnight on the 9th, and it was necessary to close this one down to make repairs. While these repairs were under way, the other five boilers were under additional pressure and the second boiler failed after midnight. Both repairs are not what might be considered serious. They can be corrected temporarily, and it is hoped that one boiler will be back on the line in an hour or so, and the other one will be ready by tomorrow morning.

These are circumstances over which we have little or no control as they are brought about by reason of severe weather. While the plant is overhauled between heating seasons, it is found that today the scarcity of materials makes it difficult to replace with new parts the wear and tear that has ordinarily taken place; and, in substitution, wear and tear has been replaced by welding and other processes to tide over until such time as it is possible to make adequate renewals.

At present we have working on the building the Campbell Steel and Iron Works and the staff of the public works department. The last information I received was that during the afternoon we shall have the ordinary temperature in the building.

OLEOMARGARINE

INQUIRY AS TO REMOVAL OF EMBARGO UNDER GENEVA AGREEMENTS

Mr. JOHN BRACKEN (Leader of the Opposition): I wish to direct a question to the Prime Minister. It arises out of the fact that we have on the order paper a bill to amend the Dairy Industry Act with regard to oleomargarine. My question is this. Did the

government in signing the Geneva trade agreements agree to remove the embargo against the importation of oleomargarine?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The Secretary of State for External Affairs has been giving special attention to the situation that arises with regard to oleomargarine under the agreements. I would suggest that my colleague reply.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): The trade agreements signed at Geneva, Mr. Speaker, are being applied provisionally between Canada and the signatories of the protocol of provisional application which is printed at page 85 of our document, treaty series 1947, No. 27.

Under that protocol, the signatories are applying parts 1 and 3 of the general agreement on tariffs and trade and they are required to apply part 2 only to an extent not inconsistent with existing legislation.

Articles XI and XX of the general agreement are those which deal with the exclusion of prohibitions or restrictions other than duties; they are both in part 2 and there is no obligation to apply them in any way that would require now the modification of existing legislation.

The general agreement itself will not come into force in such manner as to make part 2 a requirement that any signatory modify existing legislation until the thirtieth day following the day on which instruments of acceptance have been deposited with the secretary general of the united nations on behalf of governments signatory to the Final Act, the territories of which account for 85 per centum of the total external trade of the territories of the signatories to the Final Act as provided in article XXVI, subsection 5, of the general agreement.

There are twenty-three signatories to that Final Act, and the percentage shares of total external trade to be used under article XXVI to determine when you reach the 85 per cent is stated in annex A-H, which is printed at page 76 of our publication.

It is apt to be some months yet before the requirements of article XXVI for the coming into force of the general agreement shall have been satisfied.

The signatories of the protocol of provisional application are: Australia, Belgium-Luxembourg-Netherlands, Canada, Cuba, France, United Kingdom and United States. They are extending to each other the benefits of the concessions negotiated between them respectively and some of them are even extending to each other the benefits of concessions negotiated with countries whose governments have not yet signed the protocol, but they are not bound to do so, and we ourselves have excluded from the provisional application the concessions we negotiated with Norway because Norway has not yet signed the protocol. This was done by order in council P.C. 5270 of December 23, 1947.

The question of the effect of articles XI and XX of the general trade agreement, when it does become binding on the signatories, is now being considered by the Department of Justice. Hon. members will see that the general exclusion of prohibitions or restrictions other than tariff charges or tariff duties is followed by paragraph 2 which declares that those provisions do not apply in certain cases. The effect of the exceptions on such legislation as exists in Canada that would amount to prohibitions is being considered at the present time by the Department of Justice.

Mr. BRACKEN: Perhaps the minister would permit one other question. From his answer are we to understand that at the moment we are not in the position of having agreed to remove this embargo? And further are we to understand that the minister is not in a position now to say what the final effect of the signing of these agreements is with regard to the embargo on oleomargarine? Is that a correct interpretation of what the minister had to say?

Mr. ST. LAURENT: I would prefer to put it this way. An agreement has been signed which has not yet come into force. Certain portions of it are being applied under a protocol of provisional application. None of the things which are required by the protocol of provisional application makes it necessary for us to modify any of our legislation. The Department of Justice is studying the question whether, when it does come into effect, the general trade agreement would require us to modify the Dairy Industry Act which deals with oleomargarine or certain tariff provisions which exclude secondhand machinery or commodities. These questions are being studied at the present time by the Department of Justice.

Mr. BRACKEN: When the agreement does come into effect, the government is in the position that it does not know what position it is in with respect to this particular matter?

Mr. ST. LAURENT: The government knows that articles XI and XX are the general rules which will apply, but there are exceptions. It is a question on which the government will have to act on its responsi-

bility after it has received advice from the legal adviser of the government. Under the statute, it will then have to say whether or not it considers that the exceptions affect this provision of the Dairy Industry Act and the provision about the exclusion of secondhand commodities, unless there is agreement to modify these exceptions.

Just a week ago today I had an interesting conversation with our chief representative at the Havana conference, and these two articles are still being debated at Havana. They may remain as they are; they may be modified. Under the exception there is an argument that if there is a non-discriminatory prohibition affecting an agricultural product, non-discriminatory inasmuch as it applies to Canadians as well as to outsiders, it does not have to be interfered with. That is a possible construction of the exception. Whether or not it is the proper construction of the exception is now being considered by the Department of Justice.

Mr. BRACKEN: The minister has been dealing with the interpretation of the provisions of this agreement. Might I ask him what was the intention of the government with respect to the embargo on oleomargarine when this agreement was signed?

Mr. SPEAKER: Order. I should draw to the attention of the leader of the opposition the fact that while it is the practice to ask questions before the orders of the day are called, and while it is sometimes the practice to ask additional questions, it is not the practice to start a debate on the answer given by a minister.

Mr. BRACKEN: I just wished to be clear as to what the minister was telling us in his answer to my question.

FUEL

ALLEGED SHORTAGE IN SWIFT CURRENT

On the orders of the day:

Mr. T. J. BENTLEY (Swift Current): I should like to ask the Minister of Labour a question arising out of a telegram received from the Swift Current fuel dealers' association, advising of a serious fuel shortage there. Will the minister say whether the federal government is doing anything to assist in settling the dispute between the miners and owners in Alberta and British Columbia?

Hon. HUMPHREY MITCHELL (Minister of Labour): This particular dispute comes within the jurisdiction of the Alberta government. Recently they appointed a board of conciliation. That board has made its report, which has been placed before the parties to the dispute that is, district 18, United Mine Workers of America, and the coal operators.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DOMINION-PROVINCIAL AGREEMENT, 1938, ON SETTLER ASSISTANCE

Mr. CAOUETTE:

1. Was there an agreement between the dominion government and the provincial government, in 1938, concerning settler assistance on a colonization plan?
2. If so, what share of such assistance was to be paid by the dominion government?
3. Are there any amounts outstanding under the said agreement?
4. If so, when will the government pay such amounts?

Mr. COTE (Verdun):

1. Yes. An agreement was entered into with the province of Quebec under the provisions of the Unemployment Relief and Assistance Act 1936, which provided for a contribution by the dominion to the cost of assisting selected families who would otherwise be in receipt of direct relief to settle upon the land and thereby eventually become self-supporting. This agreement was in effect until March 31, 1940.

2. One third of all expenditures incurred by the province and any organized municipality up to a total of $1,000 per family assisted. Where a family was selected from an unorganized territory of the province and placed upon the land the maximum dominion contribution was $300 per family.

3. The dominion government's commitments to the province under the agreement have been met.

4. Answered by No. 3.

IMMIGRATION CENTRES IN EUROPE

Mr. WINKLER:

1. On the European continent how many Canadian immigration centres have been established?
2. Where are they located?
3. How are these manned?
4. Are other stations under contemplation? If so, where?

Mr. GLEN:

1. Five points at which there are regular immigration officers. Nine where immigration matters are attended to by officers of the Department of External Affairs attached to Canadian missions.

2. Regular immigration officers are stationed at Paris, Brussels, The Hague and Rome.

Heidelberg, Germany, is the headquarters of the Canadian immigration mission directing the work of teams selecting and examining displaced persons in Germany and Austria. Immigration facilities are provided at the following diplomatic missions: Oslo, Norway; Copenhagen, Denmark; Stockholm, Sweden; Berne, Switzerland; Lisbon, Portugal; Athens, Greece; Prague, Czechoslovakia; Warsaw, Poland; and Moscow, U.S.S.R.

3. At Paris, two immigration officers, one doctor from the Department of National Health and Welfare, and clerical staff. At Brussels, one immigration officer, one doctor from the Department of National Health and Welfare, and clerical staff. At The Hague, three immigration officers, two medical officers from the Department of National Health and Welfare, and clerical staff. At Rome, Italy, one immigration officer, one doctor from the Department of National Health and Welfare, and clerical staff.

The Canadian immigration mission in Germany consists of the immigration officer in charge of mission with clerical staff at Heidelberg. Six immigration inspectors, six medical officers, six special security officers, three interpreters, one immigration woman officer, six selection officers, from the Department of Labour.

At other places listed above, work is performed by officials of the Department of External Affairs.

4. The need for other stations is constantly under review.

WHEAT PRODUCED AND DELIVERED TO WHEAT BOARD

Mr. ROSS (Souris):

1. (a) What were the total bushels of wheat produced in Canada in 1945? (b) What were the total bushels of wheat delivered to the Canadian wheat board for 1945 as at July 31, 1946?

2. (a) What were the total bushels of wheat produced in Canada in 1946? (b) What were the total bushels of wheat delivered to the Canadian wheat board for 1946 as at July 31, 1947?

3. (a) What were the total bushels of wheat produced in Canada in 1947? (b) What is the estimate of total bushels of wheat that will be delivered to the Canadian wheat board for 1947 as at July 31, 1948?

Mr. McILRAITH:

1. (a) The total bushels of wheat produced in Canada in the crop year 1945-46 were 318,512,000; (b) Deliveries to the Canadian wheat board in that year were 237,297,178 bushels.

2. (a) The total bushels of wheat produced in Canada in the crop year 1946-47 were 413,725,000; (b) The number of bushels delivered to the Canadian wheat board in that year were 335,108,427.

[Mr. Glen.]

3. (a) The total bushels of wheat produced in Canada in the crop year 1947-48 are estimated by the third estimate of the Dominion Bureau of Statistics at 340,767,000; (b) A recent estimate indicates probable deliveries of 270,278,809 bushels of wheat to the Canadian wheat board during the current crop year.

ADVANCES UNDER EXPORT CREDITS INSURANCE ACT

Mr. McMASTER:

1. What is the amount to date of the advances to the countries other than the United Kingdom under section 22 of the Export Credits Insurance Act?

2. What are the amounts advanced to each individual country?

3. Was there any agreement with the different countries as to the maintenance of the value of their currency?

4. Were the agreements as to repayment of the loans uniform with the different countries? If not, what were the variations?

Mr. MAYHEW:

1 and 2.

	Advances at January 31, 1948
Belgium	$ 67,000,000 00
China	35,288,027 97
Czechoslovakia	13,749,398 36
France	200,725,000 00
Netherlands	104,760,170 80
Netherlands Indies	11,450,000 00
Norway	19,962,000 00
U.S.S.R.	2,866,098 69
Total	$455,800,695 82

3. No. The loans are repayable in Canadian dollars or fine gold at the option of the borrowing government—the value of the fine gold to be calculated at the official Canadian buying price.

4. The basic principles applied under the agreements for the repayments of the loans are substantially the same for all countries. The average length of the term of the loans varies and the interest rate varies depending upon the length of the term of the loan.

Copies of all agreements under the Export Credits Insurance Act have been tabled in the House of Commons as appendices to the annual report required under the act.

STRAIT OF CANSO BRIDGE OR CAUSEWAY

Mr. MacLEAN:

1. Has a report been submitted to the government in connection with the construction of a bridge or causeway across the strait of Canso?

2. What is the width of this strait at its narrowest point, and the average depth of the water?

3. What is the average yearly tonnage crossing this strait during the past ten years, also the average number of passengers carried during said period?

4. What is the yearly revenue of the Canadian National Railways in Cape Breton, and the present average yearly cost of maintaining the present railway ferry service?

Mr. CHEVRIER:

1. Yes.
2. (a) 2,800 feet. (b) 110 feet.
3. The Canadian National Railways advise: (a) 1,615,316 tons. (b) This information is not segregated for railway purposes and to compile it would involve much clerical labour and expense.
4. (a) Information as to the revenue of Canadian National Railways in Cape Breton is not compiled. To compile it would involve considerable time and expense. (b) Based on ten years to December 31, 1947, is $357,245.

L. RASMINSKY

Mr. CAOUETTE:

1. Is L. Rasminsky an employee or officer of the Bank of Canada?
2. What is his nationality?
3. What annual salary does he receive from the Bank of Canada?
4. What is the amount of the travelling or other expenses paid to him since the beginning of the war?

Mr. MAYHEW:

1. Yes. Mr. L. Rasminsky is executive assistant to the governors of the Bank of Canada.
2. Canadian.
3. Not of government record.
4. Not of government record except as to amounts paid by the government, which amounts totalled $281.23.

INTEREST ON NATIONAL DEBT—AMOUNTS PAID TO COMPANIES, INDIVIDUALS AND BANKS

Mr. CAOUETTE:

Of the total interest on the national debt in 1946 and 1947, what amount was paid to loan companies and individuals, and what amount was paid direct to the chartered banks of Canada?

Mr. MAYHEW: No information. As a large part of the funded debt of Canada is in bearer form, it is not possible to state what amount is held by the loan companies, individuals and the chartered banks of Canada.

MOUNT PLEASANT AIRPORT

Mr. MacNAUGHT:

1. Has Mount Pleasant airport (No. 10 B & G. school) been declared surplus?
2. If so, have any of the buildings or assets been disposed of?
3. What are the names and addresses of the purchasers and what amount was purchased by each of them?
4. What are the details of the assets remaining at this airport?

Mr. McILRAITH:

1. Yes.
2. Yes.
3. (a) The department of reconstruction of the province of Prince Edward Island, Charlottetown, P.E.I. purchased 5 buildings for a total price of $6,481.72.

(b) The Department of Mines and Resources, Ottawa, Ont. purchased 8 buildings for a total price of $6,319.58.

(c) Mr. Oscar MacNeill of Conway, P.E.I. purchased one building for a price of $1,500.

4. Land: 690.14 acres.

Buildings and Services

Three (3) Double Landplane Hangars
Maintenance Hangar
Building No. 2 Ground Instruction School
Building No. 3 Officers' Quarters
Building No. 4 Officers' Mess
Building No. 5 N.C.O. Quarters
Building No. 6 N.C.O. Quarters
Building No. 7 N.C.O. Mess
Building No. 9 O.R. Quarters
Building No. 14 O.R. & N.C.O. Mess
Building No. 17 Drill and Recreation Hall
Building No. 18 Workshop
Building No. 19 Fire Hall
Building No. 22 Canteen
Building No. 24 Turret Instruction Building
Building No. 25 —2 (25 yd. Ranges)
Building No. 28 Supply Depot
Building No. 29 Stores Building
Building No. 30 Coal Storage Compound
Building No. 31 Guard House & P.O.
Building No. 32 W. & B. Maintenance Section
Building No. 33 Oil and Paint Stores
Building No. 34 Watch Office & Control Tower
Building No. 35 M.T. Section
Building No. 39 Spotlight Trainer
Building No. 40 Incinerator
Building No. 41 Supply Depot
Building No. 45 Flying Control Signal

E2 Garage; 7 hose reel houses; bulk gasoline storage; incinerator; water storage tank; water storage tank (216,000 gal.); Mo-skeeto range; M.T. gasoline storage (1,000 gal.); fire alarm system; flag staff; fencing, electric power; sewer; water; steam.

CIVIL SERVICE SUPERANNUATION

Mr. KNOWLES:

1. How many retired civil servants are receiving pensions of amounts within each of the following brackets: (a) less than $20 per month; (b) $20 to $29.99 per month; (c) $30 to $39.99 per month; (d) $40 to $49.99 per month; (e) $50 to $59.99 per month; (f) $60 to $69.99 per

month; (g) $70 to $79.99 per month; (h) $80 to $89.99 per month; (i) $90 to $99.99 per month; (j) $100 per month or over?

2. How many veterans of world war I are included in the figures given in each bracket in question 1?

3. What is the number of retired federal civil servants presently residing in each province?

Mr. MAYHEW:

1. (a) 274; (b) 512; (c) 666; (d) 771; (e) 725; (f) 709; (g) 677; (h) 756; (i) 579; (j) 2,210.

2. No information.

3. Prince Edward Island, 38; Nova Scotia, 342; New Brunswick, 139; Quebec, 1,316; Ontario, 3,566; Manitoba, 320; Saskatchewan, 176; Alberta, 317; British Columbia, 1,349.

EXCESS PROFITS TAX—REFUNDS

Mr. IRVINE:

What is the total excess profits tax which (a) has been refunded to private corporations; (b) is refundable?

Mr. WINTERS: (a) and (b). The accounting records of the taxation division are not maintained in such manner as to indicate the amount of excess profits tax refundable to private corporations, as distinct from the amount refundable to public corporations.

As of the 31st March, 1947, the liability of the government for refundable portion of excess profits tax to all corporations (whether private or public) was estimated at $250,000,000, of which amount $303 has been refunded to date.

INDUSTRY OPERATED BY COAL, ELECTRICITY AND FUEL OIL

Mr. ISNOR:

1. What proportion of industry in Canada is operated by (a) steam, produced from coal; (b) electrical energy produced by hydro; (c) fuel oil?

2. By provinces, what proportion of industry is operated by (a) steam, produced from coal; (b) electrical energy produced by hydro; (c) fuel oil?

Mr. McILRAITH:

1 and 2. The sizes of industries are not capable of measurement by any one unit but the rating of power equipment will give an approximation of the relative sizes from a power aspect.

Ratio of H.P. Rating of Power Equipment of each Class to Total Rating of Equipment Installed in Manufacturing Industries, 1944

Province	Steam			Oil	Hydraulic		
	Steam engines and turbines	Electric motors operated with power purchased from central electric stations (1)	Total	Internal combustion engines (4)	Hydraulic turbines and water wheels	Electric motors operated with power purchased from central electric stations (1)	Total
	A	B	C=(A+B)	D	E	F	G=(E+F)
	p.c.	p.c.	p.c.	p.c.	p.c.	p.c.	p.c.
Prince Edward Island	26·5	23·2	49·7	20·5	29·2	0·6	29·8
Nova Scotia	36·5	20·8	57·3	8·1	7·7	26·9	34·6
New Brunswick	32·7	12·5	45·2	5·2	11·0	38·6	49·6
Quebec	9·4	(2)	9·4	2·7	14·2	73·7	87·9
Ontario	15·4	(2)	15·4	3·8	9·1	71·7	80·8
Manitoba	10·3	0·2	10·5	5·0	0·5	84·0	84·5
Saskatchewan	25·7	52·9	78·6	21·4	(3)	–	–
Alberta	21·9	37·6	59·5	12·9	0·4	27·2	27·6
British Columbia	25·5	2·9	28·4	7·8	18·3	45·5	63·8
Yukon and N.W.T.	9·6	1·6	11·2	88·8	–	–	–
Canada	15·7	1·8	17·5	4·5	11·3	66·7	78·0

(1) The total capacity of electric motors operated with power purchased from central electric stations has been divided here between steam engines and hydraulic turbines on basis of power generated by thermal and hydraulic equipment in central electric stations.

(2) Less than a tenth of one per cent.

(3) One hydraulic plant close to the Manitoba border is included in Manitoba where the power is used.

(4) Internal combustion engines are operated almost exclusively with gasoline and oil.

[Mr. Knowles.]

REGISTRATION OF GREYHOUND RACING STOCK

Mr. NICHOLSON:

Will the Department of Agriculture be responsible for the registration of greyhound racing stock as the department is now responsible for the registration of race horses?

Mr. McCUBBIN: The Department of Agriculture will not be responsible for the registration of greyhound racing stock any more than it is now responsible for the registration of race horses, as such. The function of the department in regard to registration consists in the examination and approval of certificates of registration duly issued by a breed association affiliated with Canadian national livestock records. Eligibility for registration is determined by the ancestry of the individual animal through several generations of breeding, not by its use for racing purposes.

INCOME TAX—CHARTERED BANKS—ALLOWANCE FOR COST OF PUBLISHING ANNUAL STATEMENTS

Mr. KNOWLES:

1. Are chartered banks allowed a deduction for income tax purposes with respect to costs incurred in advertising their annual statements?

2. Are such deductions allowed when said annual statements include political propaganda?

Mr. WINTERS:

1. Chartered banks, in common with other corporations, are permitted to deduct from gross revenue all reasonable operating expenses before arriving at net taxable income. Advertising is considered to be an operating expense.

2. See No. 1 above.

DISTILLING AND BREWING INDUSTRY—INVESTMENT IN NEW PLANT AND EQUIPMENT

Mr. NICHOLSON:

How much capital has been invested in each of the last five years in providing new plant and equipment in (a) the distilling industry; (b) the brewing industry?

Mr. McILRAITH:

Capital Expenditures on New Plant and Equipment, 1942 to 1946

	New buildings and other structures	New machinery and equipment
	$	$
(a) Distilleries—		
1942	568,000	470,000
1943	254,000	564,000
1944	593,000	648,000
1945	1,858,000	586,000
1946	2,872,000	1,134,000
(b) Breweries—		
1942	268,000	713,000
1943	70,000	237,000
1944	90,000	426,000
1945	790,000	1,225,000
1946	2,197,000	3,327,000

TRANSITIONAL MEASURES ACT, 1947—ORDERS IN COUNCIL REPEALED OR AMENDED

Mr. FLEMING:

What orders in council specified in the schedule to the Continuation of Transitional Measures Act, 1947, have been (a) repealed; (b) amended, and on what dates and by what orders?

Mr. JEAN:

Revocations:

			Revoked by	
Dept. of Agriculture				
P.C. 5424	14/7/44	Agricultural food board regulations respecting recovery of subsidies.	P.C. 5040	8/12/47
P.C. 6759	6/11/45	The repayment of subsidy (agricultural products) regulations.	P.C. 5040	8/12/47
Civil Service Commission				
P.C. 8541½	1/11/41	Preference respecting appointments to civil service ex-service men of present war as amended by P.C. 4320, 20/6/45.	P.C. 4632	12/11/47
P.C. 15/1647	9/3/45	"Veterans preference" respecting appointments to the civil service—service on the high seas in a sea-going ship of war.	P.C. 4632	12/11/47
P.C. 16/1647	9/3/45	"Veterans preference" respecting appointments to the civil service—not applicable certain classes in naval forces.	P.C. 4632	12/11/47
P.C. 20/6173	21/9/45	Civil service war service preference—certain persons excluded, as amended by P.C. 29/1046, 22/3/46.	P.C. 4632	12/11/47
P.C. 30/7500	29/12/45	"Veterans preference" respecting appointments to the public service as amended by P.C. 19/3727, 5/9/46.	P.C. 4632	12/11/47

			Revoked by	
Department of Finance				
P.C. 394	20/1/42	Anthracite coal—importation exempted from customs duty, as extended by P.C. 3472, 28/4/42.	P.C. 5085	11/12/47
P.C. 9058	6/10/42	Bagging material, etc.—importation exempt from customs duty.	P.C. 5085	11/12/47
Department of Fisheries				
P.C. 6289	6/8/43	Regulations for control of salt fish and appointments thereunder.	P.C. 4976	3/12/47
Dept. of Mines and Resources				
P.C. 7167	15/9/43	Reserves to the crown radio-active substances in Yukon Territory.	P.C. 5282	30/12/47
P.C. 7168	15/9/43	Reserves to the crown radio-active substances in Northwest Territories.	P.C. 5282	30/12/47
Dept. of National Defence				
P.C. 6638	23/10/45	Post-discharge benefits to the members of the armed forces serving in an interim force.	P.C. 5085	11/12/47
P.C. 3617	27/8/46	Naval, military and air force estates regulations, 1946.	P.C. 5005	8/12/47
P.C. 349	31/1/47	Regulations respecting claims by or against the crown involving members of the naval, military or air forces of Canada (overseas).	P.C. 5005	8/12/47
P.C. 363	31/1/47	Consolidated regulations respecting salvage services by H.M.C. ships.	P.C. 5005	8/12/47
Dept of National Health and Welfare				
P.C. 6367	10/8/43	Old age pensions.	P.C. 3644	9/9/47
P.C. 8341	28/10/43	Old age pensions.	P.C. 5085	11/12/47
P.C. 3377	29/5/44	Old age pensions.	P.C. 3644	9/9/47
P.C. 6500	18/8/44	Old age pensions.	P.C. 5085	11/12/47
Dept. of Transport				
P.C. 3396	9/8/46	Merchant seamen out-of-work allowance regulations.	P.C. 4939	3/12/47
Wartime Prices and Trade Board				
Amendments:				
P.C. 5518	16/3/43	Repayment of subsidy order.	amended by: P.C. 4815 26/11/47 revokes sub-sections (2) and (3) of section 4 and renumbers sections (4), (5) and (6) of such section as (2), (3), and (4) respectively.	

OTTAWA FEDERAL BUILDINGS—EMERGENCY HOUSING

Mr. COLDWELL:

1. What buildings have the federal government made available to the city of Ottawa for emergency housing purposes?

2. Which of these buildings were sold to the city, and for what amount in each instance?

[Mr. Jean.]

3. Which are leased by the city from the federal government, and at what rental?

4. What expenditures were made in altering these shelters for family accommodation? What share of this expenditure did the federal government bear?

5. Does the federal government share with the city of Ottawa costs of administration?

6. If so, how much, and on which housing shelters?

Mr. McILRAITH:

1. Ex. H.M.C.S. Wallis House, 589 Rideau street.

Wolseley House, 381 Stewart street.

Ex. H.M.C.S. Hardy House, 443 Daly avenue.

Freiman House, 159 Somerset street.

Argyle barracks, buildings 1, 2, 3, 4 and 5.

Uplands airport, buildings 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 17, 18, 20, 21, 22, 24, 27, 35, 44, 46, 47, 50, 51, 52, 53, 54, 55 D, E and F.

Rockcliffe airport, buildings 85, 86, 87, 88, 93, 94, 95, 99, 100, 102, 103, 104, 105, 107, 108, 109, 110, 111, 112, 113 and 118.

2. None of the above mentioned buildings has been sold to the city of Ottawa.

3. The buildings listed in answer to question No. 1 above are leased to the corporation of the city of Ottawa for a nominal rental, except that in the case of Argyle barracks, the city reimburses the crown in respect to land rental paid to the owner of the land.

4. With respect to Hardy House, 443 Daly avenue and Wolseley House, 381 Stewart street, all conversion costs were borne by the corporation of the city of Ottawa and detailed information is not a matter of government record. The cost of conversion re Freiman House, 159 Somerset street and Argyle barracks, was $11,457.42 toward which the federal government contributed $7,500. The cost of converting Ex. H.M.C.S. Wallis House, 589 Rideau street, was approximately $4,000 toward which the federal government contributed $2,000. In view of the fact that the Rockcliffe and Uplands projects are located outside the municipality of Ottawa, the total cost of conversion will be borne by the federal government. The contracts for these projects are not yet completed but it is estimated that Rockcliffe will cost approximately $168,000 and Uplands $353,000.

5. No.

6. See answer to question No. 5.

SUGAR—AGREEMENT WITH SANTO DOMINGO

Mr. ISNOR:

1. Has Canada entered into an agreement with Santo Domingo to purchase sugar?

2. If so, what is the rate per hundred weight f.o.b. Montreal?

3. What steps have been taken to assure such sugar being landed at the port of Halifax during the winter months?

Mr. MAYHEW: In so far as the wartime prices and trade board is concerned:

1. No. Purchases are made by the United Kingdom for joint U.K.-Canada account.

2. The price is 5c lb. (U.S.) f.o.b. Santo Domingo, equivalent to approximately 5.57c lb. c.i.f. Montreal.

3. Total winter imports from Santo Domingo of sugar for Montreal will be about 3600 tons all of which has been booked for transshipment via Halifax.

RURAL POSTMASTERS

Mr. ISNOR:

What amount would it annually increase the cost to the country if the present minimum allowance for rural postmasters was raised from the one hundred dollars ($100) grant to that of one hundred and fifty dollars ($150) per annum?

Mr. BERTRAND (Laurier): $109,019 per annum, on the basis of last year's revenue and this year's payments.

R.C.A.F.—PAULSON, MAN., BOMBING AND GUNNERY SCHOOL

Mr. ZAPLITNY:

1. Have any of the buildings, other than hangars, at No. 7 bombing and gunnery school at Paulson, Manitoba, been declared surplus?

2. If so, which buildings and on what dates?

3. Have any of the above been sold?

4. If so, to whom, on what dates and at what prices?

5. What was the original cost of each building in each case?

Mr. McILRAITH:

1. Yes.

2. On June 11, 1947, the following buildings were declared surplus:

Building No. 2—Headquarters.
Building No. 8—O. R. quarters.
Building No. 9—O. R. quarters.
Building No. 10—O. R. quarters.
Building No. 11—O. R. quarters.
Building No. 12—O. R. quarters.
Building No. 13—O. R. quarters.
Building No. 14—O. R. mess.
Building No. 16—Recreation building.
Building No. 17—Large canteen.
Building No. 18—Small canteen.
Building No. 19—Hospital—25 bed (hospital 16 beds added later).
Building No. 20—Recreation hall.
Building No. 21—Drill hall.
Building No. 22—Guard house and post office.
Building No. 23—Garage (motor trans. sect.)
Building No. 24—Garage (8 car).
Building No. 25—Garage (4 car).
Building No. 26—Repair shop.
Building No. 27—Supply depot.
Building No. 28—Work shop.
Building No. 29—A. M. L. teacher.
Building No. 30—Turret range.
Building No. 31—Spotlight trainer.
Building No. 32—Gas chamber.
Building No. 33—Watch office.

Building No. 34—25 yard range and stop butt.
Building No. 35—Dental clinic.
Building No. 36—W & B section.
Building No. 37—Fire station.
Building No. 38—O. R. quarters (WD).
Building No. 39—Bomb stores (type C).
Building No. 40—Detonator stores (type F).
Building No. 41—Fusing hut and bomb store.
Building No. 42—Pyrotechnic store (type B).
Building No. 44—Oil and paint stores.
Building No. 45—Depot service garage.
Building No. 47—NCO quarters.
Building No. 48—OR quarters.
Building No. 49—Stores.
Building No. 50—Spotlight trainer.
Building No. 51—Sewage disposal.
Building No. 52—Water tanks and pump house.
Building No. 53—Chapel.
Building No. 54—Synthetic trainer, coal shed, bulk gasoline storage, loading platform, hose houses, incinerator, skating rink, flag staff, security guard accom., coal storage bins.

3. Yes.

4. (a) Oil Industries Supply Limited, 224 Curry building, Winnipeg, Manitoba, November 1, 1947, bulk gasoline storage, $2,600.

(b) St. Paul's Home for the Aged and Infirm, Dauphin, Manitoba, November 10, 1947, No. 35, dental clinic, $500; No. 47, N.C.O. quarters, $2,200; total, $2,700.

(c) Town of Dauphin, Manitoba, November 18, 1947, No. 48, O.R. quarters, $4,999.44.

(d) Village of Gilbert Plains, Manitoba, December 4, 1947, hose reel houses, skating rink, No. 44 oil and paint stores, No. 17 large canteen, No. 14 O.R. quarters, No. 19 hospital (25-beds), No. 23 garage (MT sect.), No. 24 garage (8-car), No. 25 garage (4-car), $9,918.14.

All buildings sold for removal from site.

5. The original costs of the buildings set forth in the answer to question No. 4 above are as follows:

(a) Bulk gasoline storage	$ 12,647.00
(b) Building No. 35—dental clinic	4,114.10
Building No. 47—NCO quarters	22,148.60
	$ 26,262.70
(c) Building No. 48—O.R. quarters	$ 62,492.94
(d) Building No. 14—O.R. quarters	48,262.70
Building No. 17—large canteen	11,933.80
Building No. 19—hospital	53,543.51
Building No. 23—garage (M.T. sect.)	1,996.77
Building No. 24—garage (8-car)	4,020.54
Building No. 25—garage (4-car)	1,996.77
Building No. 44—oil and paint stores	1,005.85
Hose reel houses	742.00
Skating rink	475.00
	$ 123,976.94

[Mr. McIlraith.]

POSTAL SERVICE—AIR MAIL

Mr. KNOWLES:

1. Has consideration been given to the sending of all first-class mail matter between distant points in Canada by air mail? If so, what action has been taken in the matter?

2. Have any steps been taken to reduce Canadian air mail postage rates? If so, what has been done in this regard?

Mr. BERTRAND (Laurier):

1. Consideration is being given constantly to improvements in the postal service. As regards carriage of all first-class mail by air, no definite action has yet taken place.

2. There has been no reduction in the domestic air mail postage rate but reductions and modifications have been made in international air mail rates as follows:

Country	Former rate per ½ oz. cents	Present rate per ½ oz. cents
United Kingdom and Europe	30	15
Africa, Asia and Oceania	50	25
Hawaii	35	15
Guam	65	25
Philippines	75	25
	per ¼ oz	
China	60	25
South America	15 to 25	10

VETERANS' PENSIONS AND ALLOWANCES

Mr. McKAY:

1. What is the total number of veterans at present receiving pensions for (a) 100 per cent disability; (b) 95-99 per cent; (c) 90-94 per cent; (d) 85-89 per cent; (e) 80-84 per cent; (f)

75-79 per cent; (g) 70-74 per cent; (h) 65-69 per cent; (i) 60-64 per cent; (j) 55-59 per cent; (k) 50-54 per cent; (l) 45-49 per cent; (m) 40-44 per cent; (n) 35-39 per cent; (o) 30-34 per cent; (p) 25-29 per cent; (q) 20-24 per cent; (r) less than 20 per cent?

2. What is the present monthly liability with regard to veterans' pensions?

3. How many veteran pensioners are above the rank of army lieutenant or equivalent rank?

4. How many veterans are in receipt of war veterans' allowances?

5. What is the present number of veteran students who are recipients of training allowances from the Department of Veterans Affairs?

Mr. GREGG:

1. Return at December 31, 1947:

	World War I	World War II	Both Wars
(a)	3,683	3,482	7,165
(b)	86	20	106
(c)	435	266	701
(d)	392	110	502
(e)	3,094	1,282	4,376
(f)	647	353	1,000
(g)	1,403	951	2,354
(h)	339	190	529
(i)	2,218	2,092	4,310
(j)	357	287	644
(k)	3,771	2,888	6,659
(l)	421	407	828
(m)	3,614	3,280	6,894
(n)	1,706	1,102	2,808
(o)	4,541	4,584	9,125
(p)	4,394	3,674	8,068
(q)	8,306	11,051	19,357
(r)	30,329	46,976	77,305
Total	69,736	82,995	152,731

2. Return at December 31, 1947:

	World War I	World War II	Total
Disability	$2,133,758	$2,026,750	$4,160,508
Dependent	882,429	947,356	1,829,785
Total	$3,016,187	$2,974,106	$5,990,293

3. Return at December 31, 1947: world war I, 3,642 (approx.); world war II, 6,511 (approx.); total, 10,153 (approx.).

4. Return at December 31, 1947: 26,106 (not including 4,790 widows, 86 orphans, and 487 beneficiaries receiving war veterans' allowance for a period not exceeding twelve months after death of recipient).

5. Return at January 31, 1948: in university training, 33,063; in vocational training, 15,087.

TRADE WITH SPAIN

Mr. DORION:

What was the value in Canadian dollars, for each of the last twelve years, of our imports and exports with Spain?

Mr. McILRAITH:

External Trade with Spain:

Calendar year	Imports	Exports
1936	$1,129,315	$469,160
1937	939,555	3,638
1938	793,307	100,938
1939	662,516	210,819
1940	1,110,777	346,824
1941	519,766	239,679
1942	406,270	10,609
1943	907,708	169,021
1944	3,024,203	89,801
1945	4,353,475	991,587
1946	4,484,445	695,045
1947	3,003,000	940,594

CANADA AND SPAIN—DIPLOMATIC AND COMMERCIAL RELATIONS

Mr. DORION:

What are at present (a) the diplomatic relations; (b) the commercial relations, between Canada and Spain?

Mr. ST. LAURENT:

(a) Canada has no diplomatic relations with Spain.

(b) A Canadian trade commissioner, Mr. L. S. Glass, was appointed on November 28, 1945, as trade commissioner to Portugal and his territory includes also Spain, the Azores, Madeira, Spanish Morocco, the Canary islands and Gibraltar. An agreement between the United Kingdom and Spain signed June 27, 1924, regulating the treatment of companies, and a treaty of commerce and navigation between the United Kingdom and Spain signed October 31, 1922 (revised April 5, 1927), were accepted on behalf of Canada as from August 1, 1928 (Canada treaty series, 1928, No. 7).

WAR RISK INSURANCE ACT

Mr. HANSELL:

1. How many policies have been issued under the War Risk Insurance Act?

2. Have there been any losses claimed?

3. If so, what has been the total amount paid out for losses under this act?

Mr. MAYHEW:

1. 34,082.

2. Yes.

3. $35,198.32.

FAMILY ALLOWANCES

Mr. DORION:

1. What was the amount paid for family allowances in each province (a) for the year 1945; (b) for the year 1946; (c) for the year 1947?

2. What was the number of children below the age of 16, in each province (a) for the year 1945; (b) for the year 1946; (c) for the year 1947?

Mr. MAYBANK:

1.

Province	(a) 1945
Prince Edward Island	$ 1,079,198
Nova Scotia	6,296,918
New Brunswick	5,360,797
Quebec	38,155,282
Ontario	32,456,285
Manitoba	6,581,480
Saskatchewan	8,732,554
Alberta	8,139,827
British Columbia	7,042,009
Yukon and Northwest Territories	103,179

Province	(b) 1946
Prince Edward Island	$ 2,183,638
Nova Scotia	13,177,027
New Brunswick	11,211,787
Quebec	80,990,009
Ontario	68,791,236
Manitoba	13,750,308
Saskatchewan	17,990,140
Alberta	16,887,463
British Columbia	15,172,753
Yukon and Northwest Territories	299,998

Province	(c) 1947
Prince Edward Island	$ 2,241,302
Nova Scotia	14,153,047
New Brunswick	11,993,688
Quebec	87,097,709
Ontario	76,772,375
Manitoba	14,779,445
Saskatchewan	18,555,711
Alberta	18,111,382
British Columbia	17,625,787
Yukon and Northwest Territories	441,816

2. The number of children under the age of sixteen, in receipt of family allowances, in each province, averages as follows:

Province	(a) 1945
Prince Edward Island	30,015
Nova Scotia	173,554
New Brunswick	152,170
Quebec	1,069,492
Ontario	885,491
Manitoba	178,406
Saskatchewan	241,610
Alberta	224,091
British Columbia	195,697
Yukon and Northwest Territories	2,534

Province	(b) 1946
Prince Edward Island	30,587
Nova Scotia	184,271
New Brunswick	158,882
Quebec	1,144,938
Ontario	949,251
Manitoba	188,546
Saskatchewan	249,068
Alberta	232,733
British Columbia	209,789
Yukon and Northwest Territories	3,861

Province	(c) 1947
Prince Edward Island	31,458
Nova Scotia	198,237
New Brunswick	170,418
Quebec	1,237,637
Ontario	1,065,290
Manitoba	204,878
Saskatchewan	257,034
Alberta	249,904
British Columbia	247,183
Yukon and Northwest Territories	6,254

ROYAL CANADIAN MINT—BILINGUAL EMPLOYEES

Mr. LENNARD:

1. How many are employed in the Royal Canadian Mint?

2. What percentage of these are bilingual?

Mr. MAYHEW:

1. 285.

2. 112.

FOREIGN EXCHANGE CONTROL BOARD

Mr. KIDD:

1. Who are the members of the foreign exchange control board?

2. When were they appointed?

3. What salary does each member receive?

Mr. MAYHEW:

1. Section 11 (1) of the Foreign Exchange Control Act which came into force on January 1, 1947, provides that "The foreign exchange control board shall consist of the persons who from time to time hold or are acting in the offices of governor of the Bank of Canada, deputy minister of finance, Under-Secretary of State for External Affairs, deputy minister of trade and commerce, director of operations, Post Office Department and deputy minister of national revenue for customs and excise." The present holders of these positions (who have held office since January 1, 1947), are G. F. Towers, W. C. Clark, L. B. Pearson, M. W. Mackenzie, L. Germain and D. Sim, respectively.

Section 11 (3) provides that "The governor of the Bank of Canada shall be chairman of

the board" and section 11 (4) provides that "The governor in council may at any time and from time to time appoint an alternate to act in the place and stead of any member of the board and the alternate shall have the same powers when so acting as the member." The following alternates have been appointed, effective from the date indicated: L. Rasminsky, chairman (alternate) January 1, 1947 and A. Lalonde, alternate to the director of operations, Post Office Department, January 23, 1947.

2. See answer to No. 1.

3. Section 11 (2) provides that "The members of the board shall serve in that capacity without remuneration."

NATIONAL FILM BOARD—OIL AND WATER COLOUR PAINTINGS

Mr. FRASER:

1. Has the national film board a department in which oil and water colour paintings are made?
2. What use is made of these pictures?
3. How many pictures have been painted during 1947?
4. How many pictures have been sold?
5. What are total proceeds from these sales?
6. How many of these pictures are in storage?

Mr. WINTERS:

1. No. It is presumed that this question does not refer to art work required for titles in film, filmstrips, animated films or photographic displays. No paintings in oil or water colours are made for exhibition or sale by the national film board.

2. Answered by No. 1.

3, 4, 5, and 6. None.

STONY MOUNTAIN, MAN.—GRANT FOR SCHOOL PURPOSES

Mr. MOORE:

1. Is there a money grant by the Department of Justice to the province of Manitoba for school purposes in the federal district of Stony Mountain?
2. If so, how much is the grant?

Mr. JEAN:

1. Yes.

2. $2,550 per annum.

OWEN SOUND TRANSPORT COMPANY—ASSISTANCE TO GREAT LAKES SHIPPING COMPANIES

Mr. MENARY:

1. Does the government pay a subsidy to the Owen Sound Transportation Company?
2. If so, what amount do they pay?
3. Is any assistance given to shipping companies at the ports on the great lakes for the construction of new boats?
4. If so, to what companies is assistance given and what amount to each?

Mr. CHEVRIER:

1. Yes.

2. $65,000 per annum.

3. No.

4. Answered by question No. 3.

UNEMPLOYMENT INSURANCE

Mr. HATFIELD:

1. How much unemployment insurance has been collected in the city of Halifax, Nova Scotia, since the act was inaugurated?
2. How much unemployment insurance has been paid out in the city of Halifax since the act was inaugurated?
3. Can unemployment credits be taken from one part of a district and paid out in another part of a district?

Mr. COTE (Verdun):

1. Information not available.

2. Fiscal year 1941-42—information not available.

(Benefit payments started in February, 1942)

Fiscal year	
1942-43	$ 1,048 47
1943-44	1,184 17
1944-45	2,188 68
1945-46	69,314 89
1946-47	415,937 00
1947-48 to Dec. 31, 1947	538,490 59
Total	$1,028,163 80

3. Yes.

CONFERENCE ON WELFARE AND REHABILITATION OF HANDICAPPED PERSONS

Mr. THATCHER:

1. Have any plans been made by the Department of Labour or any other federal department to call a conference for the purpose of discussing the welfare and rehabilitation of handicapped persons in Canada?
2. If so, will it be called this year?

Mr. COTE (Verdun): 1 and 2. On 26th August, 1947, committee of privy council, on my recommendation, approved order in council P.C. 2961 granting permission for the Department of Labour to hold a national conference to consider the vocational rehabilitation of physically handicapped persons. Under the terms of this order in council the conference was to be attended by delegates nominated by private organizations working on behalf of physically handicapped, as well as representatives of the dominion and provincial governments.

The order in council set the dates for the conference in the month of October but plans could not be completed and it was necessary to defer arrangements for the conference until

December. In view of the decision to call parliament into session on December 5, it was again considered necessary to postpone the conference as it was felt that many of those persons interested in vocational rehabilitation of physically handicapped persons would not be able to devote sufficient time to the conference while parliament is in session.

In the meantime, officials of various branches of the Department of Labour are continuing to study the matter of vocational rehabilitation of disabled persons.

QUESTIONS PASSED AS ORDERS FOR RETURNS

EXCISE TAX ON CIGARS, CIGARETTES AND TOBACCO

Mr. WINKLER:

From 1915 until the present time, what were (1) the advances; (2) the reductions in the excise tax on cigarettes, cigars and tobacco?

Mr. WINTERS: Return tabled.

INCOME TAX—RETURNS ON WHICH ASSESSMENTS NOT MADE

Mr. FLEMING:

At December 31, 1947, on how many income tax returns, by years, and by divisonal offices, had assessments not been made?

Mr. WINTERS: Return tabled.

FOREIGN EXCHANGE CONTROL—SEIZURE OF FUNDS AT BORDER

Mr. KIDD:

1. What is the total amount in dollars of American or Canadian bonds, securities, bank notes, coin or travellers cheques seized by the customs officials at Lansdowne since the opening of the international bridge?

2. From whom were the seizures made, the amount taken from each individual and how much returned to each individual, if any?

3. What is the total amount in dollars of American or Canadian bonds, securities, bank notes, coin or travellers cheques seized by the customs officials at each of the other customs offices in Canada, the amount seized from each individual, the name of the individual from whom the seizure was made and the amount returned to each individual, if any, since September, 1939?

POST OFFICE BUILDINGS

Mr. ZAPLITNY:

1. How many post office buildings have been constructed by the government since January 1, 1945?

2. Where, and when were they built?

3. What was the (a) gross; (b) net, revenue from these post offices at the time new construction was commenced?

[Mr. Cote (Verdun).]

FEDERAL GOVERNMENT OFFICES, WINNIPEG

Mr. ZAPLITNY:

1. What federal government offices, branches or bureaux are maintained at Winnipeg, Manitoba?

2. What is the street address of each?

3. What is the function of each?

4. Who is in charge of each?

RIDING MOUNTAIN NATIONAL PARK

Mr. ZAPLITNY:

1. What are the names and occupations of persons employed by the federal government in the Riding Mountain national park?

2. What are the present salaries or wages of the above?

3. Did they receive any increases in salary or wages since January 1, 1945? If so, in what amounts, and at what dates?

WAR ASSETS—ACADIA OVERSEAS FREIGHTERS LIMITED—PURCHASE OF SHIPS

Mr. FLEMING:

1. Did Acadia Overseas Freighters Limited acquire ships from the Canadian government or War Assets Corporation?

2. If so, when and how many ships were so acquired, and of what kind and tonnage were they?

3. What were the terms of payment and the price?

4. When was the price paid?

5. What persons negotiated the sale or sales on each side?

6. Was there a public offering of the ships for sale and, if so, on what terms?

7. Were tenders invited for the purchase of the ships and, if so, on what terms?

8. Were any other offers received for the ships, or any of them, except from the Acadia Overseas Freighters Limited?

9. How did the vendor arrive at the price?

10. When was Acadia Overseas Freighters Limited incorporated, and what is its authorized and issued capital?

11. Who were its officers and directors at the time of the purchase or purchases, and who are its officers and directors now?

12. Is Harry Mathers a Canadian citizen?

13. What is the registry of these ships now? Has the registry been changed?

14. What undertaking, if any, has been given by Acadia Overseas Freighters Limited, as to (a) operation of the ships; (b) resale; (c) or otherwise?

CANADIAN PACIFIC RAILWAY COMPANY—SECURITIES

Mr. KNOWLES:

1. As at September 1, 1939, what was the total value of Canadian Pacific securities of all kinds held in the United Kingdom, the United States, Canada and other countries?

2. What is the total value of Canadian Pacific securities of all kinds held in the above noted countries as at the present time?

3. Have any Canadian Pacific securities held in the United Kingdom been acquired by the government of the United Kingdom? If so, what is the value of such securities so acquired?

4. What is the total value of Canadian Pacific securities returned to Canada from the United Kingdom since September 1, 1939, and what disposition has been made of any such securities returned to Canada?

5. Did the Canadian government acquire any Canadian Pacific securities following world war I?. If so, to what extent were such securities acquired, and to what extent are such securities still in the possession of the Canadian government?

6. Does the Canadian government hold any Canadian Pacific securities other than those acquired following world war I?

EXPORTS OF MILITARY SUPPLIES, AMMUNITION AND EQUIPMENT

Mr. MacINNIS:

1. What was the total value of military supplies, ammunition and equipment exported from Canada for the calendar year 1947?

2. To what countries were such military supplies, ammunition and equipment exported?

3. What was the value of such exports to each country?

CENSORSHIP OF BOOKS

Mr. KNIGHT:

1. Who is the official responsible for the censorship of books entering Canada?

2. Is his appointment on a permanent or a temporary basis?

3. Is free entry permitted for text books on school or university curricula and books ordered by a library?

4. If so, is there a similar concession for other non-fiction or reference books of a learned character imported by teachers or professors for their own use?

5. If not, has the government considered making such concession?

6. What was the approximate revenue derived by the government during the last fiscal year from the duties on books (not including magazines or periodicals)?

7. How many books were refused admission to Canada during that period?

FOREIGN EXCHANGE CONTROL—ACQUISITION OF GUARANTEED SECURITIES—INVESTMENT OF CANADIAN FUNDS FROM SALE OF U.S. DOLLARS

Mr. MACDONNELL (Muskoka-Ontario):

1. How many securities of or guaranteed by the dominion of Canada and having a maturity date longer than five years have been acquired by or on behalf of the government of Canada or any agency thereof in each of the six months prior to February 1, 1948?

2. (a) Is the total of Canadian funds received by the F.E.C.B. as the result of the sale of U.S. dollars during 1947 still in the possession of the board or has any part of such amounts been repaid to the receiver-general? (b) How has the F.E.C.B. invested any balance of such Canadian funds remaining in its hands?

NAVAL SERVICE—FUEL OIL

Mr. MOORE:

1. What was the cost per ton of fuel oil used in H.M.C. ships at the following points in 1942, 1943, 1944 and 1945: Esquimalt, Halifax; St. Johns, Newfoundland; Bermuda and Londonderry, Ireland?

2. What is the cost per ton of fuel oil being used in H.M.C. ships at Canadian ports, at the present time?

NATIONAL DEFENCE (ARMY)—BRITISH COLUMBIA—UNIT PRICE OF CERTAIN FOOD ITEMS, 1939-47

Mr. MacINNIS:

What was the unit price paid by the Department of National Defence (Army) in the British Columbia region for the food items in the cost of living index as at (a) August, 1939; (b) November, 1941; (c) November, 1945; (d) December, 1947?

BUSINESS OF THE HOUSE

On the orders of the day:

Mr. GORDON GRAYDON (Peel): May I ask the Prime Minister if notices of motion for the production of papers might be taken up also? They are usually taken after the questions. That was not done last week, and I wondered if the government would be prepared to go on with them today.

Right Hon. W. L. MACKENZIE KING (Prime Minister): There is no reason why they should not be taken up hereafter, but I am not certain that we are prepared to proceed with notices of motion today. They will be taken up next Wednesday.

Mr. GRAYDON: There is quite an accumulation of them.

Mr. MACKENZIE KING: Before the house proceeds with the special order, so there may be no misunderstanding about the proceedings tomorrow and the day following, I understand that last evening the question was raised as to whether or not hon. gentlemen opposite would be agreeable to having tomorrow given over to the emergency measure, and Friday to the debate on the address. I understand there is agreement to that effect. That being so I would say that tomorrow the government will continue with consideration of the measure which was discussed yesterday, and on Friday will take up the debate on the address.

Mr. BRACKEN: The understanding is that instead of proceeding as had been planned originally, tomorrow and Friday we will reverse the program.

Mr. ABBOTT: That is right.

Mr. BRACKEN: That is quite satisfactory.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Friday, February 6, consideration of the motion of Mr. J. A. Dion for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Bracken, and the amendment to the amendment of Mr. Coldwell.

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, when this debate was adjourned I had spoken for a few minutes, at which time I was exercising my prerogative as a member to make a general survey of conditions in the maritime provinces. At the time of adjournment of the house I was pointing out that the headlines in the press across the dominion indicated that conditions in that part of the country left much to be desired. I am going to continue my observations along that line.

May I first draw the attention of the house to the Ottawa *Citizen* of February 10. In the course of my remarks in another debate I said that the press, in trying to follow the affairs of the house, including statements made by responsible ministers, left some confusion in the minds of the public. In this issue of the *Citizen* I find a statement by the Minister of Trade and Commerce (Mr. Howe). The dateline is Halifax, February 9, where apparently he was addressing a meeting. The headline states "Howe reveals Canada in record boom". He made that statement in the city of Halifax, and pointed out that in the preceding year between government and private investments there had been spent some $2,300 million and stated that in this year that amount would be increased by 17 per cent, bringing the total to $2,700 million.

People in the rest of Canada reading that statement of a responsible minister would naturally come to the conclusion that the prospective investment and prosperity the minister outlined was applicable to the whole of Canada. I find it strange therefore that in the same paper on the same day and under a Halifax dateline, at the time the minister was making the statement to which I have referred this further statement was made. It appears on the front page and is headed "Halifax, February 9; freight slump hits port of Halifax". It goes on to say:

> Harry Mathers, president of Acadia Overseas Freighters Limited, Canada's biggest ship firm, said tonight that because of a slump in the freight market, two of the company's 10,000-ton vessels, the *Shelburne County* and *Inverness County* will be tied up here. His announcement came after the blackest weekend in twenty years in this port's history. Not a sling moved in or out of any hold of the few ships berthed along the waterfront.

As I was pointing out when I adjourned the debate a few days ago, the government has classified the maritime provinces as a depressed area. While the minister's statement may be applicable to everything west of Montreal, it certainly is not applicable to anything east of Montreal. I point that out, because if the people of Canada are to be properly informed, and if they are to have any respect for statements made in the press by responsible people, particularly by members of the government, and even by private members, then there must be some accuracy in statements which are put out. What I have read certainly indicates that the port of Halifax is not going to share in and is not sharing in the prosperity or future investment in the present year to which the Minister of Trade and Commerce referred when speaking in Halifax.

I hold in my hand another clipping—and perhaps I should say I was doing a little job on the press in the last couple of days. This is from the Halifax *Chronicle*, and the caption in very large letters says "Works plan brightens Halifax labour outlook". This dispatch is dated at Ottawa, February 6, and was given to the Associated Press. The press statement released by the senior member for Halifax (Mr. Isnor) reads:

> "The national harbours board has plans for a capital and maintenance program on the Halifax waterfront which will mean the expenditure of more than $3,800,000 and possibly as much as $4,700,000." Gordon Isnor, Liberal, Halifax, said tonight in an interview.

Of course he goes on to say that this future development may not get under way until some time in the fall. It is still a guess. What I am getting at is this, that a statement of that kind appearing in the press in this part of the country leads the general public and hon. members of the house who come from other parts of Canada to believe that things are fine down in the maritimes, when in fact the reverse is true. While the hon. member for Halifax may have some inside information that that money is to be spent some time next fall or some time in the future, nevertheless there is a critical situation in Halifax at the present time and throughout Nova Scotia.

Mr. ISNOR: Was that a correct statement?

Mr. GILLIS: I do not know; but I know this—

Mr. ISNOR: Do you question the accuracy of it?

Mr. GILLIS: I do not know anything about it. But if it is on a par with the statement issued by the Minister of Trade and Commerce, then it leaves a question in my mind whether it will relieve the situation which I know exists down there.

Mr. ISNOR: You know nothing whatever about it.

Mr. GILLIS: And I do not think you know much about it, either.

I have in my hand a further clipping with respect to the longshoremen's union, which presides over the wages and destiny of men employed on the waterfront. In fact in the final analysis they keep that city going; they are the wage earners. They say: "Worst in twenty years; nothing being done; no immediate solution."

I have another clipping from Halifax, dated February 6, headed "Unemployed now need assistance," and stating that Halifax has 4,500 jobless who may ask their provincial and civic governments that unemployment relief be instituted immediately. That statement is issued by the director of the workers' federation at that point. I have read press dispatches emanating from Halifax and I do not believe any good purpose is served for the people in that part of the country if the rest of the people of Canada are asked to believe that things are fine down there, and that there is nothing wrong. I know they are not fine. They leave much to be desired. Something has to be done in that part of the country, and done very soon, if those people are to continue to support our present institutions. They are getting anything but a square deal from us.

The point I am making is that the unemployment situation prevailing in that part of Canada today is not new. The fact of the matter is it was anticipated in 1942. The senior member for Halifax was a member of the reconstruction committee.

Mr. MARTIN: A good member.

Mr. GILLIS: I am not saying anything about that; I leave that for you to say. All members are good; they do the best they can, with whatever little ability God gave them—and some have not much. I said it was anticipated by that committee, and that the committee was a good one. It was a fact-finding committee like the one on prices. It will go out with a miner's rod looking for profiteers. That committee was a good one and I enjoyed working on it. I think it really did a job because it dug out a lot of facts and served many industries. The committee came back to this house and made a report. It had the power to recommend, something the present prices committee has not got; it is set up merely to gather something which will collect dust in the archives.

The *Journals* of the House of Commons, 1943-44, contain the recommendations of that committee on the subject I am talking about now. I want to put those recommendations on the record, in order to show that the unemployment situation now prevailing in the maritimes was anticipated by the government and acted upon by that reconstruction committee. I should like to quote from the recommendations of the committee with respect to the maritimes, to be found on page 723 as follows:

> This inquiry should include the extent, if any, to which the maritimes have suffered because of lack of proper distribution of secondary industry in Canada, and also the possibility of securing extended markets—both Canadian and international—for all maritime production.

They were recommending an inquiry into the whole situation which prevailed in that end of the country. The report continues:

> We are convinced that after the war—if pre-war conditions are permitted to prevail—the Nova Scotia coal industry will not be able to exist without assistance in the marketing of the output of the mines. The coal industry situation would, therefore, be an important part of the proposed survey.
>
> After the war, transportation will play an even more important part than previously in economic development.
>
> Therefore in dealing with conditions in the maritime provinces, we strongly urge that the government give earnest consideration to certain proposed improvements in transportation facilities. These include:
>
> (a) Improvements designed to make communications between Prince Edward Island and the mainland constant, reliable and adequate.
>
> (b) Improvement of transportation across the strait of Canso by the construction of a causeway, or in such manner as may be judged most satisfactory, considering the amount of traffic and the conditions of ice, tides and current.
>
> (c) Regrading, realigning and double-tracking of the Canadian National railway from Sydney to points in Nova Scotia and New Brunswick.

I was in on all the discussions leading up to that recommendation. It was estimated that if the government undertook that particular project it would give employment to 7,000 people for at least four years. Had that one recommendation in connection with Nova Scotia been carried out by the government we would not be reading the headlines about unemployment that we are seeing today in the press all across the country. It would have settled the problem of employment for at least four years.

In the meantime the governments, provincial and federal, have had an opportunity to carry on a survey of secondary industries as was recommended by that reconstruction com-

mittee. Absolutely nothing has been done about this except that the Minister of Transport has done some boring and he knows how deep the water is. I am glad he is to follow me, because then I will have an official answer to the questions I am asking. That government-dominated committee recommended unanimously what should be done, but it has not been done. I should like to give hon. members a little more information.

I have talked about this to some hon. members from Ontario. They have said to me, "Well, $20,000,000 or $26,000,000 is a lot of money to spend to build a bridge from the island of Cape Breton to the mainland of Nova Scotia." I was talking to one fellow about this problem of unemployment and when I reached the strait of Canso and started across he said, "Wait a minute; you are not in Canada." I said, "No? Where am I?" He said, "You are on the way to Newfoundland." I showed him the map and was able to convince him that we are still part of Canada. It is not a wilderness down there. Perhaps I had better give the house the opinion of the board of trade, because if I said this hon. members might not believe me; they might think it was just propaganda.

An hon. MEMBER: Why should we believe the board of trade?

Mr. GILLIS: They are nice fellows and they are non-political. They give a description of the island and state that it is the most important industrial centre east of Montreal. This report continues:

> Cape Breton is an island forming the northeast part of Nova Scotia, jutting out into the Atlantic and separated from the rest of Canada by the narrow strait of Canso. With a land area of 3,120 square miles and a population of 200,000 (1945 estimate), it is the most concentrated industrial area east of Montreal. The key industries are coal, steel, tourism, lumber, fishing and farming. It is significant that one-third of Canada's coal output and one-quarter of its pig iron comes from Cape Breton. Being closest geographically to Newfoundland and the continent, its fine harbours handle large amounts of exports and imports through the Sydneys and Louisburg.

There are some people living there and this island means something economically to the rest of Canada. I have here an editorial from the Sydney *Post-Record,* which is not a C.C.F. paper. I am sure my hon. friends from Cape Breton will agree with me when I say that. I think myself the engineering branch of the Department of Transport should get down to brass tacks and make a better guess, and I say "guess" advisedly. The first survey for this bridge was made in 1906 by Waddell Hardestry Company of New York, a well known engineering firm. The report they made at that time was made available to the reconstruction committee. According to them it was a feasible project. Of course their estimate of that time would have to be revised considerably, but even so it would not be in accordance with the figures the department are giving out at the present time. This editorial reads:

> Mr. MacLachlan said a causeway would cost between $10,000,000 and $12,000,000, a steel and concrete bridge between $15,000,000 and $20,000,000. In a subsequent report to the government, which was tabled in the house last spring, Mr. MacLachlan's estimates were briskly stepped up to $32,000,000 for the causeway and $54,000,000 for the bridge. Obviously Mr. MacLachlan has been doing more guessing than figuring, and he seems capable at any time of producing the kind of estimates he thinks his principals or his audiences, as the case may be, would like him to produce. In the circumstances, an independent inquiry is what the needs of the case clearly indicate.

That is merely a press dispatch, but I have here a return which was tabled by the minister on April 23, 1947. It was stated at that time that a causeway would cost $17,797,000 and a bridge, $26,275,000. All kinds of figures have been thrown around. I have another report to which I should like to make reference, because I consider this man is qualified to talk on the subject. The caption is "Bridge over the strait of Canso." I do not know whether the minister has read this article.

Mr. CHEVRIER: I have read it.

Mr. GILLIS: Then there is no need for me to read it again. The minister agrees with it?

Mr. CHEVRIER: I have not said that.

Mr. GILLIS: The article is by Charles P. Disney, consulting engineer, Toronto, and retired engineer of bridges, Canadian National Railways. I am sure they would not employ anybody who was featherheaded or incompetent. This gentleman says on page 4:

> Chief of these is the fact that the bridge would eliminate the very costly ferries and terminals that now provide the only means of access to and egress from the island, particularly the train ferries of the Canadian National Railways which involve in the neighbourhood of a million-dollars-a-year maintenance charge for the ferries and the slips and terminal facilities on either side. The saving through the abolition of two complete terminals with their railroad maintenance and operating equipment and personnel, plus the elimination of the necessity of rebuilding or replacing the present worn-out and obsolete ferries at a cost of millions of dollars, would go a long way towards paying the cost of the bridge.

I was rather disturbed when it was brought to my attention that the government were building another ferry for use at that point at a cost of $5,000,000.

Mr. MacNICOL: Surely not anything like that.

Mr. GILLIS: Yes.

Mr. CHEVRIER: The hon. gentleman was in the house when the statement was made.

Mr. GILLIS: No, I was not.

Mr. CHEVRIER: My recollection is that he was.

Mr. GILLIS: My recollection is seeing the statement first in the press that it would cost $5,000,000 and maintenance charges of $1,000,000 a year. If a bridge were built it would pay for itself in a few years. Ferries are an obsolete means of transportation, no matter what kind of ferry it may be, and you will have exactly the same kind of bottleneck you have now. It will not improve conditions at all. I cannot understand the thinking of people who recommend that kind of thing when the construction of a bridge is the modern thing and would lead to the expansion of industry at both ends. One of the main reasons why there is not more secondary industry in that part of the country is the lack of transportation facilities. A bridge would encourage the development of industry and be in keeping with modern life. I would rather walk than take that old train that sputters along over an old roadbed and takes fifteen hours to go from Halifax to Cape Breton. But it does not look as if the government has any intention of building a bridge, having made this large expenditure of $5,000,000 in perpetuating an obsolete means of transportation by ferry.

This man Disney makes a very sensible report. He points out that he has had objections from people in Ontario and Quebec that the government of Canada should not be expected to make such a large expenditure in that part of the country, a charge on all the taxpayers of the country. But Mr. Disney points out that this is no local project; it is a national project.

Mr. GRAYDON: It has support from Ontario too.

Mr. GILLIS: Definitely, and I am glad to hear that from the hon. member for Peel. A large part of the personnel that would be employed in the construction of a bridge at that point would come from this part of the country, and a large part of the materials used. Most of the steel would be rolled here and shipped down there. It would mean something for practically every part of this country, and the project should therefore not be considered a merely local one. Mr. Disney comments on that in his report and I merely mention it now to dispose of that parochial angle. It is not something which the people in that part of the country are just hollering for. We are entitled to it. If there was such a bottleneck in Ontario or Quebec it would be cured and cured very quickly without any quibbling, but this Canso question has been a matter of controversy and investigation since 1906 and the controversy is still going on. However the Minister of Transport is both aggressive and progressive, and I am in hopes that the controversy will not last much longer.

Mr. CHEVRIER: Hear, hear.

Mr. GILLIS: He must be going to do something about it.

Mr. Disney also points out that there is a certain kind of pier being put down now—I shall not go into the technical details because the minister knows the kind of pier I mean—which could be used there. Already a bridge has been built in the province of Quebec, across deep water, with a greater span, where there is just as much tide as there is in the strait of Canso, and that bridge is standing up.

Mr. MacNICOL: And there is another one at St. Catharines, Ontario.

Mr. GILLIS: Yes, and one in Quebec province too. I understand that they offered to build a sample pier in the centre of the channel and let it remain there to demonstrate that that type of pier will stand up against the tides and ice, which are the conditions on which the department base their objections to the building of a bridge. I would suggest that the minister read the whole report, because I cannot accept the departmental estimate that it would cost $54,000,000 to construct a bridge across the strait of Canso. I am inclined to accept Mr. Disney's estimate of $20,000,000 more or less. I think that is nearer the mark, although it may be a little low, but I shall not comment further on that.

I would point out to the minister that another investigation is being carried on. Boring has been going on since 1945 and all that part of the work is now done. The examination of costs is not yet completed. A board of engineers has been selected in consultation between the Premier of Nova Scotia and the federal government. I presume that negotiations were carried on through the Minister of Transport; and that board is going to make a survey of transportation facilities.

Mr. CHEVRIER: Does my hon. friend object to the establishment of that board?

Mr. GILLIS: I am going to object to it in a moment. The establishment of transportation facilities—what does that mean? It means, is the old ferry good, bad or indifferent? That is the proposed investigation, and you do not have to investigate that. You need only ask me. I have often gone over in the ferry, as I think the minister has himself, and it is about the worst transportation on the North American continent. Now that you have the provincial government co-operating —I think the gesture of the federal government was a very anaemic one—the board of engineers should determine the feasibility of that causeway or bridge and what the cost would be.

Mr. CHEVRIER: That is exactly what they are going to do.

Mr. GILLIS: Is it? The press dispatch said that the board would examine transportation facilities, and I visualized their looking over the old ferry to see whether it went fast or slow.

Mr. CHEVRIER: Often press reports are away out of line.

Mr. GILLIS: That is right. I am glad that the minister has clarified that point and says that the board are going to determine the feasibility of the project, the cost and so forth.

My objection to that board of engineers is this. The three men appointed are from Quebec and Ontario. They are Professor D. S. Ellis, dean of engineering at Queen's university, Kingston; Doctor Arthur Surveyer, and Doctor P. L. Pratley, both Montreal consulting engineers.

Mr. CHEVRIER: Are you objecting to the board of engineers?

Mr. GILLIS: Yes. I am still objecting and I am objecting for this reason. I do not think the minister had to go outside the house. He has an engineer sitting behind him. He has the parliamentary assistant to the Minister of National Revenue, the member for Queens-Lunenburg (Mr. Winters), and there are several others in this house who are qualified to go there and do that kind of job.

Mr. GRAYDON: Why don't you and the minister go down yourselves?

Mr. GILLIS: He has engineers in Nova Scotia.

Mr. CHEVRIER: What about the member for Davenport?

[Mr. Gillis.]

Mr. GILLIS: I am not being political about this. I do not want any opposition member to go. My conception of engineers is that they are practical fellows who are loyal to their profession and they do not like to let the profession down in such matters. I would be satisfied with the member for Queens-Lunenburg. He has a great deal of ability in that field. But someone definitely interested, someone living in that part of the country, should have been included as a member of the board. Professors who are teaching in universities are secure in a world of books, and with all due respect to their profession I think that someone in the sticks who is living outside and is doing that kind of work should be on the board.

I am not going to exceed my time. I merely want to conclude by saying this. There was a time when the maritime provinces were quite in the minority and would be outvoted no matter whether they co-operated one hundred per cent or not. At the present time, if the maritime province members banded together in the interests of that part of the country they could force any vote they wanted to through this house. The present government has twelve of a majority. There are twenty-six maritime members here, and if we got together on that causeway and said, "No vote for your committee unless you make the commitment that you will give us that causeway"—

An hon. MEMBER: A threat of blackmail.

Mr. GILLIS: The whole system under which you live is blackmail. That is merely exercising your legitimate prerogative to get something done for the part of the country you represent, and I say that we could force the implementation of the report of a committee on which the government had a majority. If we got together and forced the implementation of that report, it would create employment and link up that part of the country with the rest of Canada. It would give that part of the country a half decent break, and that would be only doing our duty to the people we represent. British Columbia, I am sure, would do it. When it is a question of apples or lumber, of Japanese or fisheries, you generally find the British Columbia members, whether Liberals, Tories or C.C.F'ers, fairly well united on the subject.

Mr. SINCLAIR: Not on the Japanese.

Mr. GILLIS: I am suggesting to the members from the maritime provinces that on this particular subject we should try to get together to get something done. We should

have secondary industries there. We should have that causeway, and there are several other things we should have.

When the Minister of Trade and Commerce was in Halifax recently he gave a press interview. He was asked whether it was not possible for the members from the maritime provinces to get together and force something along the lines I have suggested. The minister's answer was, "What are they asking for that they are not getting done?" The implication there is that we are not asking for anything, because we are not getting anything done. I think we should accept that challenge, and any time the senior member for Halifax is ready to call a caucus on maritime projects, for the purpose of getting together and forcing some recognition of that part of the country, he can give me a buzz and I shall be glad to join him.

Hon. LIONEL CHEVRIER (Minister of Transport): If I rise to take part in the debate it is not so much to reply to the hon. member for Cape Breton South (Mr. Gillis) as it is to deal with two matters which concern the Canadian National Railways and the pension fund of the railways. Before embarking on these two matters, however, I think it is in order that I should say a word or two in reply to some of the statements that have been made by the hon. member for Cape Breton South.

In concluding his remarks the hon. gentleman said that the members from the maritimes evidently had not asked for very much since they had received very little. Apparently my hon. friend's memory is quite short. He must have forgotten that within a very short period of time the government had spent, from 1936 until 1946, no less than $18,000,000 in the maritime provinces, and at the moment they have a program concerning the harbours of Saint John and Halifax which will cost no less than $8,000,00. So that when the hon. gentleman said they had asked for nothing and had received nothing—

Mr. GILLIS: Not yet.

Mr. CHEVRIER: —he was unquestionably wrong.

Mr. GILLIS: Merely promises.

Mr. CHEVRIER: The senior member for Halifax (Mr. Isnor), in a statement he made the other day, referred to some of the expenditure that was about to be made in the port of Halifax, and he was correct in the statement he made. I have not seen it, but I have heard it quoted by the hon. member for Cape Breton South.

I can tell the hon. gentleman that in the main estimates for the present fiscal year there is provided for the port of Halifax the construction of a transit shed, and there is further provision for the construction of a pier which will cost in the neighbourhood of three or four million dollars.

What my hon. friend means by saying that nothing is being done I do not know. All I can say is that when the amount that has been placed in the estimate has been voted and when the contract has been awarded there is nothing more that can be done so far as the department is concerned. It is then up to the contractor to complete the job. As regards the $8,000,000 mentioned a moment ago, contracts have not yet been awarded for this amount, but contracts have been awarded, I think, in one or two cases, and I recollect that at least one of the contracts is now under way.

Mr. GRAYDON: Have you that harbour down there under local control yet?

Mr. CHEVRIER: I can deal with that matter very quickly by telling the hon. gentleman that when his leader was down there he advocated local control, and he advocated local control during the by-election.

Mr. GRAYDON: I think your candidates did too.

Mr. CHEVRIER: If by local control he meant a return to the conditions which existed prior to the passing of the National Harbours Board Act, then I am sure that is not the kind of thing that this parliament ever intended.

Mr. GRAYDON: That is what your candidates asked for anyway.

Mr. CHEVRIER: In any event, I should like to return to some of the suggestions that have been made by the hon. member for Cape Breton South, and I do not wish to deal at any length with them, because I should like to spend the greater part of my time dealing with matters which concern the Canadian National Railways.

Mr. HAZEN: The minister said that $18,000,000 had been spent between 1936 and 1946—

Mr. CHEVRIER: Yes.

Mr. HAZEN: —on the harbours, I understood him to say, in the maritime provinces. Was that amount not spent by the national harbours board on all national harbours in the dominion?

Mr. CHEVRIER: No. These sums were spent in the two ports of Saint John and Halifax, and for harbour facilities in the maritime provinces, such as terminal facilities and so on at Tormentine, Borden and the like. It had to do with the maritime area only, not exclusively the national harbours board.

The hon. member for Cape Breton South referred to transportation facilities at Canso, and that is a matter which has attracted the attention of this house for some years. He complained of the fact that the estimates are not similar, that they vary, and so on. The estimates were given to the house prior to the adjournment in 1947, in a statement prepared by myself. The only difference between the return which my hon. friend refers to and the estimates then given is the increase in the cost of construction over the years.

Mr. GILLIS: Twenty-seven million is a big increase.

Mr. CHEVRIER: It is not $27,000,000, because the cost of the causeway was fixed at $32,000,000, roughly, and that of the bridge at $54,000,000. Those figures were arrived at after consideration of the increased cost of construction and the increased cost of material, and they were added to the amounts which were tabled in the house.

Mr. GILLIS: May I make a correction?

Mr. CHEVRIER: Just let me continue.

Mr. GILLIS: But the minister is wrong in his figures.

Mr. CHEVRIER: That was the information which was given to the house. Those are the figures which the engineers arrived at after adding on the increased cost of construction.

Mr. GILLIS: The return which was tabled in the house early in 1947 stated that the bridge would cost $26,000,000. In a few months why should it jump from $26,000,000 to $54,000,000? The increase in the cost of materials was not that much.

Mr. CHEVRIER: I do not know what return my hon. friend refers to other than the one I have in mind in 1946.

Mr. GILLIS: I have sent upstairs for it.

Mr. CHEVRIER: If it is the 1946 one, there can be no doubt that the difference is for the increased cost of construction.

Mr. GILLIS: From $26,000,000 to $54,000,000 in two years?

Mr. CHEVRIER: In any event, my hon. friend complains about the fact that there is a great deal of investigation going on. He says that something should be done about it, but the moment we set up a board of engineers to review the transportation facilities, he objects. That is exactly the tenor of his remarks this afternoon. The board of engineers has been set up for the purpose of reviewing the engineer's reports of the Department of Transport and the estimates therein. Those are the estimates to which my hon. friend objects. Those are the estimates of which he complains. He says they are not correct and he quotes Mr. Disney, the engineer, and so on. I have no objection to that. If that is so, let the board of engineers review the position and ascertain whether the bridge is feasible, whether the causeway is feasible, whether the terminal facilities should be improved or even whether a tunnel should be constructed. I do not want to take up any more of the time of the house on this matter.

Mr. GILLIS: I objected to the personnel. I said that at least one engineer from the maritimes should have been on that board.

Mr. CHEVRIER: I told the hon. member, when he was speaking, that one of the engineers was appointed at the request and suggestion of the province of Nova Scotia; and I should have thought that with the two other engineers, Doctor Surveyer and Doctor Ellis, the board was an exceptionally competent one. So far as I am concerned, I do not care where the engineers come from.

Mr. GILLIS: I do.

Mr. CHEVRIER: The important thing is whether they are competent and qualified men, and whether they will do a good job. I do not think there is any doubt that in this case they will. I do not want to spend any more time upon the transportation facilities at Canso, but with the permission of the house I should like to deal with two matters that were discussed by opposition members during the course of this debate last week.

The hon. member for Lake Centre (Mr. Diefenbaker) made the charge that the basic pension of the Canadian National Railways was too low and should be revised; and he invited me to take part in this debate. At the same time he asked the government to reconsider the revision upward of this pension. The hon. member for St. John-Albert (Mr. Hazen) dealt with a matter affecting freight rates and complained bitterly about the fact that the traditional policy of the Canadian government had been violated when an export rate reduction had been made from Kingston east to Portland, Maine. I should like to deal with those two matters.

The hon. member for Lake Centre referred to the Canadian National Railways' pension fund, and he quoted rule 12 which I, too, should like to put on *Hansard*. Rule 12 reads as follows:

> Every employee who joins the service of the company hereafter before attaining the age of 45 years shall, if he remains continuously in the company's service to age 65, be entitled to receive upon his retirement a basic pension of $300 per annum, which amount shall be provided at the sole expense of the company.

This rule entitles the employee upon retirement to a minimum pension of $25 a month, which is paid at the sole expense of the company. No contribution is required as in most pension plans. This is the first or basic plan of the Canadian National Railways, and in effect it is in recognition of the ten years of service by the employees of the company. But this is only part of the story. The hon. member for Lake Centre did not put on the record rule 22, which should be read in conjunction with rule 12. I should like to place on *Hansard* rule 22, which reads as follows:

> Upon retirement each employee shall receive such basic pension or service pension as he may be entitled to under this pension fund. He will, in addition, receive such supplemental annuity as may be purchasable from the company by the amount of his contributions added to the contributions credited by the company together with accrued interest compounded thereon.

If an employee exercises his right to contribute to the fund after completion of ten years' service, which contribution may be from one to ten per cent of his salary, the company will contribute a like amount up to five per cent. These contributions by the employee and the company with compound interest to date of the employee's retirement will result in a considerable supplemental annuity, and the total amount of the pension together with the basic pension paid at the sole expense of the company will be a substantial amount added to his salary.

Let me take an example of this. Let us assume that an employee at age twenty-five begins to work for the Canadian National Railways and has a continuing period of employment of forty years. Let us assume that during that forty years' time he receives $100 a month. He may contribute from one to ten per cent of his salary. Let us assume that his contribution is five per cent of his salary. That five per cent is matched by the railway; and that means in effect that he will be receiving a monthly straight life pension which will be in excess of $75 a month. There are, of course, some employees who are in the low brackets and who may not be able to contribute one to five per cent or who may not be able to contribute anything at all. However, the pension plan is drawn up in such a way that they may contribute; they have an opportunity to do so, and the failure of an employee to take advantage of the privilege to contribute cannot be charged against the Canadian National Railways. The total contracts issued under this plan number 11,617, of which 9,595 are still in force. Most pension plans provide for contributions by the employees, including employees in the low-wage brackets. In the case of the Canadian National Railways plan, this is purely voluntary; therefore the Canadian National minimum cannot be judged without consideration to the other features of the plan. I should like to put on record one paragraph of a letter I wrote to the hon. member for Lake Centre, to which he referred in the debate, under date of November 4, 1947. I said:

> In the administration of the fund, the rules must, of course, be applied alike to every employee and cannot be variously interpreted. To depart from this principle would lead to endless trouble and certainly we would be charged with discrimination. We know of no injustices and employees are free to take up their cases with the superintendent of pensions through their labour representatives or through their superior officers even as far as the president, if they feel that they have not been fairly dealt with in the matter of pensions. A very large number of our employees belong to labour organizations and the officers of the brotherhoods are not backward in presenting cases to us where they think any merit exists.

Before leaving the subject of pensions, I should like to refer to a statement made by the Minister of Finance (Mr. Abbott) on January 3 of this year, in which he set out in detail why the government could not give consideration to revising upward the annuities of superannuated civil servants. At that time he said the government did not think it fair and proper to grant its own superannuated civil servants an increase in their allowances, and he gave the reasons therefor. In reply to the invitation given by the hon. member for Lake Centre to the government to revise upward the basic pension of the Canadian National Railways, all I can say is that, in view of the attitude taken by the government with respect to its own superannuated civil servants, I would not feel disposed to advise the government to interfere in the pension plan of the Canadian National Railways, or to ask the government to tell the officers of the Canadian National Railways that they should revise the basic pension upward.

Mr. KNOWLES: Perhaps, before the minister leaves that question, he will say whether he has any figures as to the number of retired

Canadian National employees who receive only the basic pension, and how many receive an additional pension as well.

Mr. CHEVRIER: I believe the number of employees receiving the basic pension is something in the neighbourhood of nine hundred. I say that from memory, subject to correction.

Mr. KNOWLES: Those figures would be available if we asked for them in the proper way.

Mr. CHEVRIER: Certainly. I have seen them, but I am giving them now from memory, and if I am wrong I hope the house will forgive me. I shall be glad to get them for my hon. friend.

Mr. KNOWLES: I shall put the question on the order paper.

Mr. CHEVRIER: The second and, I think, more important matter with which I should like to deal was brought up by the hon. member for St. John-Albert (Mr. Hazen), who complained bitterly that the export rate on eight or ten commodities to the port of Portland, Maine, had been reduced. He charged that the traditional and historic policy of the government and of Canada, to encourage trade and traffic through its own Canadian ports, had been violated. The hon. gentleman based his whole argument upon a false premise and upon facts which at times were inaccurate. His charges against the officers of the Canadian National Railways were wholly and entirely unwarranted.

My first words, Mr. Speaker, will be to assure the house that I, as Minister of Transport, and the government of Canada did not depart one iota from the traditional policy of encouraging traffic through Canadian ports. In fact I expect to be able to establish that positive action to encourage the use of our ports and to assist in the betterment of the facilities of those ports has been and will continue to be taken. The hon. member based his remarks upon two things that had occurred. The first was the action of the Canadian National Railways in equalizing the rates to Portland on eight or ten commodities, and the consequent withdrawal or shifting of the sailings of the Moore-McCormack Lines, a United States concern, from the ports of Saint John and Halifax to the port of Portland. The second was the routing of a million bushels of rye by the French supply council through Portland instead of through a Canadian port. The hon. member dwelt at great length on the traditional policy of Canada, and quoted statements made from time to time by public men, former premiers of New Brunswick and former prime ministers of the dominion. As far as those statements are concerned, I find myself in entire agreement with my hon. friend; but from that point on we must part company. I want to refer to the Canadian Northern Railway Act of 1911, and I should like to quote section 13. I refer to that act particularly, because it contains in essence what parliament intended the policy of Canada and of the railways should be:

> The company must agree (1) that all freight originating on its lines, not specifically routed otherwise, shall when destined for points in Canada be carried over the railways within Canada; (2) that the through rates on export traffic from the point of origin to the point of destination shall at no time be greater via Canadian ports than via United States ports; (3) that all such traffic not specifically routed otherwise by the shipper shall be carried to Canadian ports; and (4) that the companies shall not in any matter within their powers directly or indirectly advise or encourage the transportation of such freight by routes other than those above provided, but shall in all respects, in good faith, use their utmost endeavours to fulfil its conditions upon which public aid is granted, namely, the development of trade through Canadian channels and Canadian ocean ports.

My contention is that nothing done by the Canadian government or nothing done by the Canadian National Railways in any way violated the traditional policy as laid down in that and other statute law in this parliament.

Since the hon. member claims that this policy has been violated, it becomes necessary for me to bring to the house the facts which arose in connection with this incident. What are the facts? They are as follows: Since 1905 the export rate on all commodities moving east of Kingston through the three ports of Halifax, Saint John and Portland have been on a parity, with but one exception, namely, that Saint John had an advantage of one cent per 100 pounds over the port of Halifax until 1923, when the Canadian National Railways system was set up and established; and it was the Canadian National Railways which did away with the one cent per 100 pounds preference in favour of Saint John.

From that time on, until 1938, the three ports remained on a parity. In 1938 the interstate commerce commission of the United States granted a ten per cent increase on export rates to the port of Portland. In the same year, or shortly after the United States application, a similar application was made to the board of transport commissioners for Canada, asking for a similar increase; and the board of transport commissioners did grant a similar increase of ten per cent and again placed the three ports on a parity.

Because of representations made by various interests to the Canadian National Railways, the Canadian National Railways decided to forgo the ten per cent, not on all the commodities, but on eight or ten only. The remaining rates, which were by far the majority, remained on a parity among the three ports. In November, 1947, the Canadian National Railways equalized the rates to Portland on the remaining eight or ten commodities. In doing this, the traditional policy of the Canadian government, as well as the obligation placed upon the railways of this country, and as laid down in various statute laws, was not in any way violated. No discrimination was exercised against any Canadian port. The only thing that was done was to equalize rates with reference to the three ports, a condition that had existed over many years.

I should now like to deal with the reasons why the rates were equalized by the Canadian National Railways to Portland; and in order to do this I should like to refer to the letter written by Moore-McCormack Lines Incorporated to the Canadian National Railways and to quote two paragraphs therefrom.

First let me remind the house that a shipowner is of course entirely free to arrange his sailings according to what he considers his best interests; and it is not uncommon that shiftings take place from time to time. The letter I have in my hand states that at least one of the reasons why the shifting from the maritime ports to Portland took place was because of undue time taken at the berth in the winter season of 1946-47 waiting for and loading cargoes.

During that season, as the house knows, not only were the railways of this country hard pressed to bring equipment to the maritime provinces, and in fact, to all parts of Canada, but the weather was such that delays in shipping took place from time to time. Those were conditions over which the railways, and certainly over which the national harbours board had no control.

In September of last year the national harbours board held a conference at Montreal of all interested organizations to review the operations of the previous season at the maritime ports, and to secure co-operative effort for the present season. Committees were established; and I am glad to say at this time, from the information I have received from these ports, that conditions have been materially bettered. In fact our terminals at Saint John and Halifax handled substantially more traffic in December last than in the same month of the previous year.

Mr. ISNOR: Would the minister be good enough to give us the date and place of the letter from Moore-McCormack?

Mr. CHEVRIER: I was coming to that. The letter from Moore-McCormack Lines is dated at New York, December 9, 1947. It is addressed to F. J. Stock, traffic manager, foreign freight department, Canadian National Railways, Board of Trade building, Montreal. Let me again remind the house that this is a United States shipping company. I do not wish to read the letter in full, because it is too lengthy. However, I shall quote from it.

Mr. HAZEN: Is there not a rule that if a letter is produced it must be read?

Mr. CHEVRIER: I have no objection to producing it.

Mr. HAZEN: I ask that it be read.

Mr. CHEVRIER: I have no objection to producing the letter and reading it to the house. My only reason for not reading the whole of it is that it would take several minutes, and I had intended quoting only two paragraphs.

Mr. HAZEN: I produced several letters and read them into the record, because I thought it would be fair to do that. I would ask that the minister read the whole of the letter into the record, if he would be so good.

Mr. CHEVRIER: I have no objection at all. The letter is as follows:

December 9, 1947.

Mr. F. J. Stock,
Traffic Manager—Foreign Freight Department,
Canadian National Railways,
Board of Trade Building,
Montreal, Canada.

My dear Mr. Stock,

We beg to confirm our conversation that was held in this office in April of this year, when we complained to you bitterly in consequence of the extremely poor service that had been rendered to our vessels at the winter ports of St. John, N.B., and Halifax, N.S., in the winter of 1946-1947.

At that time we discussed the progress of our Canadian service to the east coast of South America and the plans that we were laying for the future in injecting our fast combination passenger and freight and reefer vessels, when we advised that it would be impossible to do this until better arrangements could be made as to winter service.

We advised you specifically that our first vessel which loaded at Saint John—the *Pontus H. Ross*—actually arrived at 12.32 p.m. on December 15 and she was delayed in getting a berth and did not start loading until 9.30 a.m. on December 18. She was delayed very greatly in not being able to get her cargo in consequence of the congestion of harbour facilities, with the result that she did not sail until January 18, 1947, having been in the harbour thirty-four days and loaded with some 5,488 tons of cargo.

In consequence of this unfortunate operation, we conferred with our agents, Montreal Shipping Company, who recommended that our next vessel be berthed at Halifax, N.S. Accordingly, the *Berkeley Victory* arrived in Halifax on January 19, and did not commence loading until January 22. She sailed February 2—fourteen days in harbour—and loaded 4,941 tons, all of which by comparison with operations at other ports was still extremely bad.

Our next vessel was the *Vernon S. Hood*. She arrived at Halifax on March 4, and did not dock until March 7. Our experience with this ship was the same as with the other ships, and it was not until March 14 she sailed, and then with a part cargo only, i.e., 3,596 tons, after she had remained in port ten days.

In consequence of these very bad performances, we decided to cancel our April vessel and resume service from Montreal in June. In our conversation with you in April of this year, notwithstanding your urgent request that we give the ports of Halifax and Saint John a further trial, we had to regretfully advise you that we could not see how we could resume service at these ports during the winter of 1947-48. Before making this decision final, we conferred with the Montreal Shipping Company, who advised that they did not see very much hope for improvement.

With this before us, we appealed to you to make some adjustment in the rates so that the port of Portland, Me., could be used as an overflow port until such time as the operations at the ports of Halifax and Saint John were improved so as to provide efficient and economical operation of ships at these ports.

I now understand that you have so arranged to equalize the rates to Portland, Me., as against the other ports, and I want to take this opportunity to thank you for your kind co-operation, this from both ourselves and our shippers, who otherwise would have been forced to route their cargoes from Canadian points of shipment via Boston or New York.

Yours faithfully,
Moore-McCormack Lines, Inc.

Where in that letter is there any indication of inducement on the part of the Canadian National Railways to withdraw trade from Canada to the port of Portland? On the contrary, the letter clearly states:

. . . notwithstanding your urgent request that we give the ports of Halifax and Saint John a further trial, we had to regretfully advise you that we could not see how we could resume service at these ports.

And then there is this part in the last paragraph:

I now understand that you have so arranged to equalize the rates to Portland, Maine, as against the other ports, and I want to take this opportunity to thank you for your kind co-operation, this from both ourselves and our shippers who otherwise would have been forced to route their cargoes from Canadian points of shipment via Boston or New York.

The point is that if the railways had done what the hon. member for St. John-Albert suggested they should do, then Canada would have lost the whole trade and would not have had even the freight revenue consequent upon the carrying of the commodities to Portland.

[Mr. Chevrier.]

I come now to the matter of the equalization of the rate to Portland. It should be clearly understood that the railway freight adjustment was not a matter of setting up discriminatory rates but of restoring equality. What must never be forgotten is that the Canadian railways are compelled to haul traffic to eastern ports at relatively low ton-mile revenue because of the longer mileages involved. For instance, here are the mileages from Montreal:

To Halifax	840 miles
To Saint John	482 miles
To Portland	295 miles
To Boston	326 miles

With this additional mileage involved, the railways cannot justify lower rates to Canadian ports than to the nearer United States ports. In effect the argument of the hon. member is that, on the eight or ten commodities referred to, the rates should be maintained on a lower basis than to the United States ports. If that suggestion were adopted, why should not all rates be similarly treated? Government policy never contemplated such a situation and it would be dangerous so to interpret it. If the Canadian railways had reduced the rate to United States ports below that applicable to Canadian ports the present complaint of the hon. gentleman would be well founded, but that is not the case. Where then has there been a violation of the traditional and historic policy of this country to encourage Canadian trade and the movement of Canadian trade via Canadian ports?

I should next like to deal with the question of French rye. There might be a contradiction in these two terms, but the charge has been made by the hon. gentleman that the officials of the Canadian National Railways permitted a strangely inaccurate statement to be made by the manager of the French supply council and did nothing to encourage the movement of the rye through Canadian ports. So far as I am aware, the shipment of rye through Portland by the French supply council has no connection with nor was it in any manner influenced either by the shifting of Moore-McCormack sailings or by the reduction in the freight rate.

The hon. member considered it advisable to go into this matter at some length and to leave an inference, entirely unsupported, that some sinister influence operated on the part of Canadian officials to deflect this traffic from Canadian ports to Portland. I have made numerous inquiries, and all that I can find from the sources available to me is that the

Portland routing was the decision of the French supply council and the decision of that council alone. In the first place, I am advised by the officers of the Canadian National Railways that the traffic came to them with the routing definitely determined and established and stipulated by the shipper as to where it should go.

I am further advised by the officers of the national harbours board that at no time prior to the routing was this traffic discussed with them and that it is inconceivable that anyone connected with either the harbour of Halifax or the harbour of Saint John would have given Secretary General Hommey of the French supply council such palpably incorrect information as he is supposed or alleged to have given to the press. In the circumstances, the inference is left with me that whatever consideration influenced the decision the routing was fixed by the French authorities without inquiry from responsible sources as to the ability of Canadian ports to handle this business.

At this juncture I should like to say one word about the delegation which called to see me in connection with these matters. I believe there were some thirty in number, and I listened carefully to their recommendations for the greater part of two hours and to a brief which had been prepared ostensibly for submission to the Board of Transport Commissioners for Canada and not for submission to me as Minister of Transport.

The ACTING SPEAKER (Mr. Golding): I must remind the minister that his time is exhausted.

Some hon. MEMBERS: Go ahead.

Mr. CHEVRIER: I thank hon. members. I am sure the hon. member did not want to be unfair to me the other day when he left the implication with the house that I was in a hurry. I think any minister who gives the better part of two hours of his time to a delegation is certainly not in a hurry. He could not be in a hurry, otherwise he would not have been prepared to deal with them on that basis. However, that is a matter of little or no importance, and I pass now to another question.

To my mind, this whole question is one concerning freight rates. Being a matter of freight rates, it is one which should be disposed of by the court established for that purpose by this parliament, namely, the Board of Transport Commissioners for Canada. No one knew that better than the people affected because they decided to make application to the Board of Transport Commissioners for Canada and protest against this reduction or the equalization of rates.

What made the interested parties change their minds and withdraw their application from the board, I do not know. All I can say now is what I said to the delegation, that I was extremely sorry that they had decided to withdraw their case from the board of transport commissioners, because if, as my hon. friend has stated, there was a violation of the traditional and historic policy of Canada, then the board of transport commissioners would have told us whether that was so or not. I maintain that there was no such violation and I have attempted so to prove. If perhaps I am wrong, then my hon. friend may likewise be wrong. Is it not up to the tribunal established for that very purpose to decide whether or not the traditional policy of Canada has been violated? In any event, for reasons best known to themselves, the interested parties decided to withdraw their application from the board. I regret that it was withdrawn, because I think the protest they made should have been made to the logical board which was established for that purpose.

If one listened carefully to the hon. member he could not come to any other conclusion than that the hon. member thought—to some extent this is true also of the hon. member for Cape Breton South—that the operations of our maritime harbours are seriously threatened by the action of the Canadian National Railways and perhaps as well by the actions of the national harbours board. I have before me some statistics which I should like to place on the record with the indulgence of the house, because I realize that I have gone beyond my time. I should like to place on *Hansard* this statement affecting the two harbours, because the figures speak for themselves. The total cargo tonnage at both harbours, Halifax and Saint John, amounted to 6,593,000 tons last year, which compares with 3,988,000 tons pre-war, 1938, or an increase of 2,600,000 tons, or 65 per cent.

With regard to harbour facilities I submit that the best evidence of the government's interest in and desire to promote the activity of our maritime ports is the fact that construction projects have recently been given approval and will be carried out as rapidly as possible. They involve an aggregate expenditure of about $8,000,000 in Saint John and Halifax.

I should like to give some further information and statistics which may astound the

house, but I feel that they should be put on the record because of the statement made, first, by the hon. member for St. John-Albert, and also by the hon. member for Cape Breton South and other hon. members from the maritime provinces who seem to think the government or the railways are not doing what they should for these ports. I wonder if they will have the same opinion after they have heard these figures.

1. The Canadian export traffic, excluding grain in bulk, handled by the Canadian National Railways through the port of Saint John during the calendar year 1947 amounted to 651,000 tons, or an increase of 28.9 per cent over similar traffic handled during the year 1946.

2. United States export traffic—that is, traffic originating in the United States but coming through maritime ports—handled by the Canadian National Railways through the port of Saint John during the calendar year 1947 shows an increase of 159.4 per cent over similar traffic during the year 1946. Does that indicate that the railways are enticing traffic away from Saint John and Halifax?

Mr. HAZEN: Could the minister give us the amounts?

Mr. CHEVRIER: I have prepared my answer in this fashion. I have not the amounts before me, but I shall be glad to get them for my hon. friend if they will be of any assistance.

3. Total Canadian import and export traffic, excluding grain in bulk, handled by the Canadian National through the port of Saint John in 1947 was 23.6 per cent higher than for the year 1946.

My hon. friend has complained, and those whom he represents have, to some extent, complained of enticement by the Canadian National Railways of traffic away from Canadian ports to Portland. Let the hon. gentleman listen to this:

4. In 1946 the export of Canadian goods handled by the Canadian National Railways through the port of Portland, and excluding grain in bulk, amounted to 59,209 tons, and in 1947 this traffic was reduced to 11,499 tons, or a decrease of 80.6 per cent. Does that indicate that Canada or the railways are inviting traffic to the port of Portland?

I go on:

5. The import of foreign goods through the port of Portland for Canadian destination in the year 1946 amounted to 17,770 tons, and in 1947 this traffic was reduced to 10,589 tons, or a decrease of 40·4 per cent.

[Mr. Chevrier.]

6. In 1946 the Canadian National Railways carried to Portland for export 97,820 tons of grain, and in 1947, 75,846 tons, or a decrease of 22·5 per cent.

Mr. ISNOR: Would the minister be good enough to give corresponding figures for the port of Halifax?

Mr. CHEVRIER: Anticipating that question, I brought the figures along for Halifax.

1. The Canadian export traffic, excluding grain in bulk, handled by the Candian National Railways during the calendar year 1947 amounted to 750,000 tons for Halifax, as compared with 651,000 tons for Saint John.

2. United States export traffic handled by the Canadian National during the calendar year 1947 shows an increase of 66·8 per cent over similar traffic during the year 1946.

3. The total value of imports and exports passing through the port of Halifax in the year 1936 was $65,500,000; in 1939 it had risen to $71,000,000, and in 1946 it stood at $179,000,000, or an increase of 172·7 per cent over 1936.

To go back to Saint John, the total value of imports and exports passing through the port of Saint John in the year 1936 was $68,000,000; in 1939 it had risen to $80,000,000, and in 1946 it stood at $244,000,000, or an increase of 259 per cent over 1936.

The receipts and shipments of grain at the port of Saint John in 1936 stood at 25,000,000 bushels, in 1939 at 19,000,000 bushels, and in 1946 at 31,300,000 bushels, 1946 showing an increase of 25 per cent over 1936.

The receipts and shipments of grain through the port of Halifax in 1936 stood at 7,000,000 bushels, in 1939 at 7,500,000 bushels, and in 1946 at 13,200,000 bushels, 1946 showing an increase of 89 per cent over 1936.

Mr. GRAYDON: Of course there was a war on.

Mr. CHEVRIER: I ask the house to compare these figures with the three or four shifts of sailing by Moore-McCormack, of which the hon. member complained and which in 1946-47 amounted to 14,000 tons of cargo, which, compared with the figures I have just given, without in any way wanting to be derogatory, is simply a drop in the bucket. If these figures are not an indication of the attitude of the government and of its various agencies in encouraging trade through our ports I do not know what could be said in their favour.

In conclusion, let me tell the hon. member for St. John-Albert as well as the mayor of Saint John that the policy of the present administration is to encourage and to use our

national harbours to the fullest possible extent, and it has never departed from that policy.

I should like to have taken a minute or two —but I hesitate to do so, because the house has been more than kind to me—to say a few words concerning the attitude of the president of the Canadian National Railways. I am sure that the hon. member did not want to cast any reflection upon him when he stated that, although the people of his city had been assured by the president of the Canadian National Railways that there would be an encouragement of the movement of trade through Canadian ports, that had not been done. I asked the president of the Canadian National Railways himself. I discussed the whole matter with him and I saw him again yesterday. He assured me that he had made no such statement as that quoted by the press and by my hon. friend.

Mr. HAZEN: I quoted your denial of it too.

Mr. CHEVRIER: Yes. I am simply pointing out to the house the position of the president of the Canadian National Railways when he denied that he had made the statement which was alleged by the press to have been made, and not only has he assured me that he has made no such statement, but no one is more anxious than he is to assist the ports of this country and to do everything he can to route traffic in the direction of Canadian ports.

My hon. friend wound up his speech by asking me a number of questions, and the answers I have already given in my remarks. But I say this to him in conclusion. The traditional and historic policy of the government, of successive governments, of encouraging trade to our national ports and national harbours, has never been violated; but in fact, as established by the statistics I have put on record, positive action to encourage the use of our maritime ports has been and will continue to be taken.

Mr. GRAYDON: May I ask the minister a question. What we in Ontario would like to know, having in mind the situation that has grown up in the house, is this. Is this traffic, which we understand has been routed now to Portland, being re-routed to Halifax or Saint John?

Mr. CHEVRIER: What traffic is my hon. friend referring to? Is he referring to the traffic that has to do with the equalization of rates on eight or ten commodities to which the hon. member for St. John-Albert referred, or does he refer to the traffic of all other commodities that were not equalized?

Mr. GRAYDON: We are interested only in this. We understand from the debates here that some of this traffic which should be going to Halifax and Saint John is going to Portland. If that is not the case, there is no question.

Mr. CHEVRIER: That is not the case.

Mr. GRAYDON: Fine.

Mr. L. W. SKEY (Trinity): I have listened with interest to the minister's declaration of policy with regard to freight rates and transport in Canada, and now I should like to exercise my prerogative in the debate on the address in reply to the speech from the throne to turn my attention to matters of defence in Canada. I am sorry that the minister is not in the chamber at the moment, but might I request his colleague the Minister of Labour (Mr. Mitchell) to draw his attention to the remarks I have to make this afternoon. I consider it appropriate that the Minister of Labour should be asked to do this, because I have expressed admiration for his declaration on a defence policy in Canada when he said that if you are not prepared to defend that which you have you will lose it.

On this occasion I have the honour to speak for my party on the subject of air defence of Canada. Though all of the things I might recommend would not, of course, be their responsibility, the views I shall put forward this afternoon have been endorsed by the defence committee of the Progressive Conservative party, and at the special request of our chairman, the hon. member for Nanaimo (Mr. Pearkes), I have been asked to put the case for air defence this afternoon, because we consider it to be a priority requirement in Canada.

I should like to mention one or two things that have been said in the past by men whom we all respect. The first one I wish to quote from is General Marshall in his report on the armed forces of the United States following world war II. He said, in referring to the United States:

> We may elect again to depend on others, and the whim and error of potential enemies, but if we do we will be carrying the treasure and freedom of this great nation in a paper bag.

I contend that the quotation from General Marshall which I have just given is equally applicable to our Dominion of Canada, because

the defence needs of Canada and of the United States are completely interwoven. If one is threatened, so is the other.

Our Minister of National Defence (Mr. Claxton), speaking in Montreal as recently as February 9, is reported by the Canadian Press as having said that it was impossible to rule out the possibility of aggression after looking at the Russian record in the field of international relations since the war.

We have General Marshall, who is so prominent today in trying to keep the peace, and our own minister saying that we must preserve our freedom by being prepared to defend it. I do not feel that I need labour these points any longer.

When I have spoken previously on this subject in the house I have recommended the air force as the most powerful of offensive weapons and the most effective defensive weapon. To illustrate this, the skilled German generals after the last war, when they were asked how we invaded the continent of Europe, paid our air forces the compliment of saying that they were the decisive factor, both in securing the invasion of Normandy and in the Germans' failure to contain that invasion. I have mentioned that previously in the house.

I have also spoken of the manpower situation and urged a survey of our manpower so that we might know what forces the country could sustain. I have spoken for air cadet training and called attention to the importance of cadet training in the schools and high schools of our country. I have called the attention of the house to the necessity of dual forces in Canada, equally balanced to defend our west and east, pointing out that we require a duplication in our defence needs. I have spoken about the great service rendered to all Canada's armed forces by the women of our country, by the Canadian girls who went into the navy, army and air force, and I have urged that their fine service be continued by enlisting them in reserve units. I have spoken also of supplementing our service personnel with civilian employees to increase the effectiveness of the few men we are able to enlist in our services today.

There is one subject, however, on which I have not had a great deal to say, but which I wish to discuss this afternoon, and that is the Canadian flying clubs. Prior to the war, Canadian flying clubs were paid a small subsidy for every trained pilot. I understand that now their costs have risen to a great extent. In the Toronto club they have risen from $900 to $2,200 a month, and they are

[Mr. Skey.]

meeting there to discuss the possibility of washing up all their activities. I think it would be a great pity if Canada were to lose the services of the flying clubs which, from coast to coast, played such a great part in the formation of our defence forces in world war II. I urge the government to reconsider the adoption of the policy which they had prior to the war, namely, that of paying to these clubs some subsidies for those pilots whom they are able to train to a licence standard.

In addition to these considerations, we should be concerned at the present time with the production of our own aircraft in this country. In a recent editorial in *Aircraft and Airport* of December, 1947, I notice the following:

> That Canada can build aircraft—good aircraft and lots of them—was proven in the not too distant past, but that vast potential built out of a wartime necessity has been allowed to dissipate and go down the drain with the fine phrases and rose-tinted promises made to the boys who came back.

We are faced today with an aircraft industry which is on the point of disintegration, and I suggest that we should do all we can to support it, so that machines may be built which our forces and civilian pilots will fly, in order to preserve for our country this great technical industry.

We are not the only country that is concerned with this industrial problem. The United States secretary for air, Mr. Symington, recently brought down a report. Although I have endeavoured to obtain an original copy, they are not available in Ottawa, and I must use the report from *Time* magazine of January 19, 1948, in giving the house a short resume of what the United States secretary for air had to say. In reporting on the industry, the commission pointed out, among other things:

> A nation in the modern world is only as strong as the industry which produces its weapons. If air power was the nation's first line of defence—

I pause to call to the attention of the house the fact that this United States committee did find that air power was their first line of defence. I continue:

> —it was a very weak line indeed, considering the state of the aircraft industry.

That is, of the industry in the United States.

Recently we have imported into Canada some fine, first-class jet fighter aircraft. I understand that members of the house will have an opportunity of examining some of them tomorrow. I feel that they are a step forward, but not the complete step until we are able to produce in our own country or at

least on this continent these machines, so that we shall have our forces supported by an integrated industry and not in the position in which they would be reinforced over long and precarious lines of communication.

In past years there has been some discussion in the house about the necessity of building up a proper intelligence and information service. I would certainly endorse this effort on the part of all Canada's armed forces. But with all these, the real strength of your defence forces lies in scientific research. I should mention the incorporation of a national research council member on the defence council of Canada. I think that is a forward step, and I believe that the representative selected is a fine and able man who will give real support and understanding to the needs of our armed forces.

I have said these things, Mr. Speaker, without political bias. There is, in truth, nothing in my speech that is with political bias, because I merely speak for what I believe to be the good of our country, for the protection of our people and for the protection of those social gains that we have been able to make under our system of government. Without the defence and security provided by our armed forces, the benefits of pensions, health insurance, medical clinics, mothers' allowances, and so on, can mean nothing, if we are vulnerable to the destructive force and fury of aggressive powers.

It may look as if I am standing here advocating the widespread use of the taxpayers' dollars. I am not doing that, however, because I propose to prove in the next few minutes that what I am advocating is the cheapest and best method of defending our country. The air force is peculiarly adapted to give us security and the most adequate defence with the maximum flexibility, which means that the smallest numbers can be used over the largest front. It is peculiarly suited to our geographic needs. It is a medium in which Canadians in two wars have proved themselves to be well skilled and able to compete. yes, more than compete, with the men of other countries. We have the great records of those who flew in the first world war, and we had our great training plan in Canada as a result of which forty or more squadrons of our men served in the front line in Europe and indeed across the world in the last war. When I mention this, I should like to call the minister's attention to an editorial in the *Globe and Mail,* dated Thursday, February 5, entitled, "Air power Canada's weapon". Set out there is, I believe, the most complete and able statement that I have seen on the defence of Canada, and in particular the air defence of Canada, up to the present time. I quote in part from it as follows:

> Relying as we undoubtedly do on this assistance—

That is, assistance from the United States.

> —we have a clear obligation to be ready with our own contribution to joint defence, one which suits our resources in manpower, skill and money. It needs no argument to prove that this contribution should be an air force larger and better equipped than the one we now have. It happens that such a force, besides being within our reach, provides the kind of defensive and striking power especially needed in a country of Canada's size and geography.

I believe the truth of those words is self-evident. I have some other quotations I could read on that point, but I think I can leave it, since it is so well stated by that editorial writer. It is indeed the cheapest defence we can buy, and the most effective at the present time. I will give the house just one illustration. During world war II, Britain had around her coasts a chain of early warning stations, which were able to plot the enemy bomber and fighter squadrons as they flew against the British isles. These stations gave good protection; when the German commanders estimated the fighter defences of the British isles they believed that the fighter force which opposed them was ten times greater than it actually was. In other words, by the application of the early warning service to the air force a small force was made ten times more effective. A few squadrons were as useful as many wings and groups would have been without it. Canada can make use of this great discovery and apply it economically to its own defence. Most emphatically it can, because during the last war Canadian technicians became especially skilled in the use of radar. We have heard the Minister of Reconstruction (Mr. Howe) speak of its benefits to the merchant shipping. At the great school at Clinton, Ontario, we developed technicians who went not only to the Canadian forces but to all the allied forces, to show them the application of radar to the air weapon. This school was commanded by Wing Commander Patrick, who is now with RCA-Victor, and who during his time with the air force I believe made a unique contribution to his service and his country. Fortunately his good work has been continued by able successors, and I am pleased to learn that this great school at Clinton is carrying on into the peace, to use this great scientific device for the benefit of our service and the protection of our people. I might just make passing reference to the fact that this school is

in Huron county, where one of my service colleagues is contesting a by-election in a few days. I refer to Flight Lieutenant Tommy Pryde, who served with the army and air force in the first great war and with the air force in the last war. Even if he did not belong to my political party, he certainly would have my every sympathy. I am pleased to see, however, that his great record of national and community service is such as to recommend him to the people there over and above party considerations.

To change the theme of this address for a moment, I have already ventured the opinion that an adequate and reasonably balanced air force, balanced in content and supported by the devices of modern science, can give Canada the best defence protection at the present time. I now urge the government to adopt a policy in support of the R.C.A.F. which will develop it into a first-line defence force. I do not believe a country of the size and population of Canada can afford to be strong in all three services at the same time. Therefore, without apology, with great deference to and appreciation of the service rendered by our soldiers and sailors in the last war, and without detracting from that service in any way, I urge this policy upon the government.

I now return to another section of the report of Mr. Symington, secretary for air in the United States, in order to point out what was found by this commission appointed by the president. Here are some of their findings: firstly, that the United States of America is under definite threat. I shall not elaborate on that; but, if it is true, Canada is also threatened. Secondly, they also assume that any attack on democracy would be directed against the United States and that it would come without warning; thirdly, that the objective of any potential enemy would be the destruction of the United States, capacity to resist; fourthly, that security lay in keeping an air force in being in peace time greater than any other self-governed people have ever kept; fifthly, that neither minding one's business nor trying to reach a pacific accord among nations was enough at the present time. It is a pretty dismal prospect, and only because of that fact did I choose to speak on a subject which I know is unpopular, which may lead some people to attack me as a militarist and which is perhaps not foremost in the minds of the Canadian people at the present time.

Our military leaders, from George Washington to General Eisenhower, supported as recently as November 4 by Canada's General Crerar, have urged a policy of peace through strength. Though we may all respect Mr. Ramsay MacDonald and his stand following world war I; while we may have admired him personally, we now know that he was wrong. On November 4, in New York, General Crerar said:

> Until this world of ours reaches a much higher plane of civilization and international understanding, I consider it essential that these countries which believe in the maintenance of peace, and in the arbitration or judicial settlement of international disputes which may endanger that condition, should be militarily prepared immediately and strongly to act in support of these principles.

Two days before that statement was made, General Marshall had reported that fifteen million men perished in world war II.

If I were to make recommendations, I should make reference, first, to several statements made in Montreal on February 9, by the Minister of National Defence. Firstly, he said that Canada cannot afford to maintain a huge peacetime defence force. Secondly, he said that we must ensure positive security under our own arms; thirdly, that we should co-operate with the United States and the commonwealth and, fourth, that our forces should be capable of rapid expansion. With those four statements I can have no quarrel. I consider that they are all sound, and that the only unsound feature is that we continue to spread the small amount we have for our defence forces, rather than to concentrate it on something that could be considered effective by way of an air defence force.

I would urge that he set up the type of force which could meet these immediate requirements, an air force which would be supported by adequate reserves, a force which would be highly trained and flexible, and provided with the most modern weapons and scientific assistance available.

Before concluding, I should like to refer to some of the more general aspects of the subject of defence. In this connection I should like to refer to a comment by Trygve Lie, secretary of the united nations, in London on January 29. He said the united nations had kept the peace for two years. The remark struck me forcibly because, much as we may hope for it, the united nations still remains an organization without any constables or magistrates to support its force.

Mr. GRAYDON: Just a lot of truant officers.

Mr. SKEY: Yes. And though we all admire the great work Mr. Lie has done, we wonder at his saying that the united nations has kept the peace for two years. His observation

recalls to my mind, or to the mind of any thoughtful person, the speech made by Mr. Winston Churchill almost two years ago at Fulton, Missouri. Mr. Churchill then recommended that the united nations should receive the support of squadrons of aircraft, because they were the cheapest and most flexible armed unit, and that they could support the moral decisions of the constables and magistrates in this shrinking world. On that occasion Mr. Churchill said:

> We must start immediately to equip the united nations with sheriffs and constables in the form of an armed force of air squadrons directed by the world organization.

Then he closed with these words:

> . . . because our supreme task and duty is to guard the homes of the common people from the horrors of another war.

He thought only of peace; and who should think more of it than a man of his stature, who saw Britain at her weakest and her greatest during the days of the last war. I fully agreed with what he advocated at that time, and I repeated it in the house. What he said proved to be right.

Just a few days ago he rose in the British House of Commons to say that we must find a way to live with Russia during the next two years. The searching truth of his statements during the war, and of his appreciation at Fulton, Missouri, makes one apprehensive; because this man, when he speaks, does not speak carelessly. He speaks with the greatest of knowledge and says we have to find that solution within two years. The time factor is important—vitally important—in the world today.

I therefore say that, although we cannot afford to leave our people undefended at this time, we must redouble our diplomatic, political and social efforts to find a way to avert war, and to make unnecessary speeches such as I am making this afternoon. We must secure the peace and continue toward a realization of the four freedoms by all men, and the relief of our people from the remotest possibility of another conflict. While we may make these efforts for peace, we must support our armed forces and provide adequate protection for the Canadian people.

Mr. GORDON B. ISNOR (Halifax): Mr. Speaker, I rise because of a statement made today by the hon. member for Cape Breton South (Mr. Gillis). However, before replying to or making comment in reference to those statements. I wish to add my support to what has been said by the hon. member for St. John-Albert (Mr. Hazen) in bringing to the attention of the Minister of Transport (Mr. Chevrier) and the government the, shall I say, lack of efficiency or lack of interest shown by the officials of the Canadian National Railways in respect of shipments through maritime ports, namely Halifax and Saint John.

I am not going to cover the points discussed by the hon. member for St. John-Albert who, I think, laid the case for the maritimes before the minister in a strong, able and efficient manner. If what was said served no other purpose, at least it brought the minister to his feet today to place on record the facts relating to the equalization of freight rates between the ports of Halifax, Saint John and Portland.

While naturally I want to see every possible ton of cargo shipped through Halifax, if that is not possible, then my next thought would be that it should go through the other maritime port of Saint John, rather than through Portland. I wish only to add my sentiments in support of those of the hon. member for St. John-Albert.

I sat and listened to the hon. member for Cape Breton South when, as usual, he placed before the house a dreary and dismal picture of conditions in the maritime provinces, and particularly in his native province of Nova Scotia. He referred to the fact that I had given a statement to the press, and compared it with another statement. It appeared to me that he questioned the accuracy or the truth of what I said. I say to him that that statement was given in good faith, and I believe it to be correct. I am looking forward to the commencement, in the very near future, of the work I have mentioned.

I have had the co-operation of hon. members from Nova Scotia, New Brunswick and Prince Edward Island in bringing about improvements in conditions in the maritimes. I resent, and I think many other hon. members will also, the thought thrown out by the hon. member for Cape Breton South that I was not willing to co-operate with other hon. members in working for the best interests of our province.

The hon. member said that hon. members should be careful as to the accuracy of their statements. I think that reference would apply more to the hon. member than to any other hon. member coming from the maritimes. I say that advisedly, after having listened to the hon. member on many occasions. I remember how he toured the county of Halifax during midsummer of last year along with some of his colleagues. I remember the extravagant statements which were made about the awful conditions in Nova Scotia, that we did not have any industry there, that nothing was going on, that there was no employment, that our farms were run down and so on. His col-

leagues from the prairie provinces who were down there spoke along similar lines, but they did not dare go as far as the hon. member for Cape Breton South.

I think any hon. member who has had any business experience at all will realize that you cannot attract industry to a place which is always painted as being dead, dreary and dismal as has been done on more than one occasion by the hon. member for Cape Breton South.

Mr. WRIGHT: How did it get that way?

Mr. ISNOR: I do not think it is that way. Perhaps I had better give the hon. member some information. I am glad to know that he couples himself with the hon. member for Cape Breton South by saying that it is that way.

Mr. NICHOLSON: What about housing in Halifax?

Mr. ISNOR: The hon. member who has just interrupted me is forever harping on housing, but I have yet to hear him offer anything constructive to the Minister of Reconstruction and Supply (Mr. Howe) in the time he has been here.

Mr. NICHOLSON: Are you proud of your Halifax houses?

Mr. ISNOR: I am just as proud of our Halifax houses as I am of the hon. member.

Mr. NICHOLSON: I know you do not think much of me.

Mr. ISNOR: I hope the hon. member is ready to treat me with the same respect as I should like to treat him with, and I hope he will not interrupt me again. I feel I should answer him in regard to housing. Those hon. members who have kept in touch with the situation in Halifax realize that, prior to the war, we had a population of something like 60,000. Because of the active part which Halifax took in the war effort, our population increased to around 135,000, and today it is around 95,000. I am ready to admit that our housing is not as it should be, but we are working toward an objective which will provide more houses for our people. We are not just talking about houses; we are making some constructive suggestions. At the present time there is under way a project which will provide five to six hundred houses. The contracts have already been let. There is another project in the offing which I hope will be under way within a month and which will provide another hundred houses. Those are concrete, definite things, and I hope the hon. member will accept that as an answer to what he said about housing.

Mr. MACDONNELL (Muskoka-Ontario): Then there is the $17,000,000; do not forget that.

Mr. ISNOR: The hon. member has always been ready to help me out. We are grateful to the Minister of Transport for showing the interest he has, not only in the great port of Halifax but also in the port of Saint John. In that connection I might say that we have definite assurance from the national harbours board that a new steel shed will be erected, at an estimated cost of $600,000, on pier 26 as soon as the steel is available. Plans and specifications have been prepared for the erection in a year's time of a modern concrete pier with two steel sheds. The existing pier is 600 feet long by 160 feet wide, and the proposed new pier, as planned at present, will be 700 feet long by 270 feet wide. The additional length will permit berthing two coastal size vessels on either side, whereas the present pier can accommodate only one on either side. It is estimated that the cost of this will be something like $3,900,000. Then there are other expenditures in connection with maintenance, totalling $246,000. In spite of all the unfair criticism that has been offered by the opposition, I think the Minister of Transport and the national harbours board are doing fairly well for Halifax.

Then a word as to the accuracy of statements. On more than one occasion the hon. member for Cape Breton South has referred to the closing down of the Trenton steel works and the unemployment that was created. For the benefit of the prairie members of the C.C.F., I should like to quote from the *Eastern Chronicle* of February 5, 1948, as follows:

> Two major industries of Pictou county, the Eastern Car Company Limited and the Acadia Coal Company Limited continued their steady progress towards higher peaks of production, corporation figures tabulated for the month of January disclose.
>
> An all-time record was set in the Eastern car shops, where the working force turned out fifty-ton boxcars at higher capacity per day than ever before experienced in the company's near forty-year history. Three hundred and eighty-six boxcars rolled from the assembly lines in January, all steel wood-lined, a number considerably greater than former figures on this type of construction. Some years ago, company officials said, wooden boxcars, i.e., unlined, were built faster than the current order is being handled, but the January, 1948, record exceeds the old wood type construction speed, in that the work involved on the present order greatly exceeds the old pattern.

Seventeen hundred cars are being built by Eastern Car for the Canadian National Railways, with the end of the order scheduled for March.

I might mention for the information of the hon. member for Cape Breton South that in addition to these 1,700 cars, 250 seventy-ton hopper cars are being built, which order will run into something like $1,300,000 and will provide employment for a period of eight months. During the same midsummer period of last year, hon. members referred to the large lay-offs which had occurred in the Halifax dockyards. I regret that there were lay-offs in the Halifax dockyard, but I should like to place the actual facts before the house, so that they will realize that industry in Halifax is not completely run down. In 1939 there were something like 274 men on the payroll at the Halifax dockyard. During the war that number naturally increased, rising from 274 to 1,500, 2,000, 3,000 and up to 4,000. Then there was a drop, and the members of the C.C.F. went to Nova Scotia and told of the awful conditions in Halifax, of 500 employees being laid off today, 550 the next day, and so on. But actually today there are 1,890 employees on the payroll of the Halifax dockyard and they look to be fairly permanent. I mention that, Mr. Speaker, because of the effect which it is having on the rest of Canada and upon our province and particularly the city of Halifax of having men spread gloomy tales. You cannot build up if you are continually tearing down and belittling your own industries.

What I have said about the Halifax dockyard applies also to the adjacent shipyard. Not so many years ago we had the old Halifax Graving Dock Company there, employing from 150 to 250 men. Then came along what I consider was a real improvement, Halifax Shipyards Limited. They employed very large numbers of men, naturally, during the war doing ship repair work and constructing destroyers. I was interested in finding out the actual employment conditions in the Halifax shipyard, so I telephoned the general manager and asked him to be good enough to tell me the number of employees on his payroll the previous month; that was about two months ago. I ascertained that there were 1,479 men employed at the Halifax shipyard, and at the subsidiary in Dartmouth, 374 men, or a total of 1,853, as against 250 or 300 employed years ago by the smaller company. That is the kind of figures the members of the C.C.F. never use. Instead, they use the lowest possible employment figure. In that way they do not, particularly the hon. member for Cape Breton South, do justice to their own part of the country, and that is to be regretted. I believe I am speaking for the membership generally from the maritimes, irrespective of where they sit in this house, when I say that we regret that any one member should continually cry down his native province, as has been done for so long in this house. We recognize, of course, the fact that employment is not as good as it should be in our part of the country. We are not so situated as to enjoy markets such as they have in other parts of Canada. We have a population in Nova Scotia of around 600,000; in New Brunswick 500,000, and in Prince Edward Island, something like 100,000, or all told, a population of 1,200,000 for the maritime provinces, as against 4,500,000 to 5,000,000 in Ontario, concentrated around the large cities and furnishing, therefore, a readily available market for industrial production. But we still can brag of a certain number of industries in our province; and for the benefit of the hon. member for Cape Breton South I think I should give a few facts, so that he will have this information and perhaps use it in a different way from what he has been accustomed to doing in the past.

We have 1,281 industries in Nova Scotia, employing 38,000 men, paying wages of $60,000,000, and producing $204 million worth of goods. That may not be large in the eyes of members from Ontario, but to us it means something. Sixty million dollars in wages means a lot in a province of our size. Our manufacturers are shipping their goods to every part of Canada, from the Atlantic to the Pacific. We have one of the oldest coffee and spice firms, Schwartz, in our province, shipping its products right across Canada, from Halifax to Vancouver, and to the West Indies and overseas as well. We have Moir's chocolates, perhaps the finest chocolates sold in Canada today.

Mr. CRUICKSHANK: Any samples?

Mr. ISNOR: I feel sure that if they knew the desire of the hon. member for Fraser Valley they would be only too pleased to send him some.

Mr. CRUICKSHANK: Please see that they get that information.

Mr. ISNOR: I could go on for the benefit of my C.C.F. friends and tell them more about Nova Scotia. I could tell them that we have 33,000 farms in the province, notwithstanding that the members from the prairies who are farmers go down there and try to tell them how to make money and how it is possible to be successful when they are so unsuccessful themselves. Our farmers are still able to get a living

off their farms. Our 33,000 farms maintain a population of 150,000. They produce 7,000,000 pounds of dairy butter, which is not bad for a small province. So I do not think we are so badly off in our province. We produce the finest apples grown in Canada, with a productive capacity of 2,000,000 barrels a year, the greater portion of which has in the past gone to the United Kingdom; but now that the whole of Canada has become acquainted with our apple juice, we are looking forward to markets for that product within Canada.

On motion of Mr. Isnor the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. GRAYDON: Mr. Speaker, may I ask the Minister of Veterans Affairs if there is any possible chance of veterans legislation being brought into the house this week?

Mr. GREGG: The resolution to set up the veterans affairs committee will appear on the order paper before the end of this week, and I can assure the hon. member that the legislation will be brought forward just as soon as possible thereafter.

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

HOUSE OF COMMONS

Thursday, February 12, 1948

The house met at three o'clock.

OILSEEDS

PAYMENT OF 50 CENTS A BUSHEL TO PRODUCERS DELIVERING FLAXSEED TO WHEAT BOARD 1947-48

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Mr. Speaker, I wish to make certain announcements that will be of interest to Canadian producers of oilseeds.

During the current crop year, 1947-48, the Canadian wheat board is buying flaxseed at a price of $5 per bushel basis the top grade of both eastern and western flaxseed at Montreal and Fort William-Port Arthur respectively. There is a ceiling price at this same level which fixes the price to Canadian crushers on domestic supplies. Any surplus over domestic requirements of seed and oil is available for export. Existing trading methods require the use of this surplus seed and oil in arrangements with the other countries so that Canada may secure supplies of other essential oils. Under present regulations, the producers who delivered flaxseed to the Canadian wheat board are entitled to participate in any net profits that may arise. It has become apparent, however, that this participation cannot be a clear-cut, commercial proposition when so many arrangements between countries are involved and the government has decided to calculate and pay out to producers the participation that would have been involved on a fair and reasonable basis. This action has the double effect of settling the producers' interest in the flax and freeing government agencies to use the surplus seed and oil in arrangements for other essential oils necessary to the whole Canadian economy. The government has therefore accepted the recommendation of the Canadian wheat board and will authorize that body to pay a fixed and final payment of fifty cents per bushel to those producers who have delivered or will deliver commercial flaxseed to dealers acting as agents of the board during the crop year 1947-48. This payment will involve distribution of about six million dollars to Canadian producers.

An announcement with respect to the handling and marketing arrangements for flax covering the crop year 1948-49 will be made at the earliest possible date.

With regard to rapeseed and sunflower seed, it is also the intention of the government to authorize the Canadian wheat board to buy these oilseeds in 1948-49 on the same basis as in 1947-48, namely, at six cents per pound basis the top grade of each, f.o.b. shipping points named by the board.

Mr. MENARY: Do I understand the announcement just made is in answer to the question I asked yesterday with regard to flax?

Mr. HOWE: Yes.

Mr. MANROSS: That is that "flaxible" control.

UNITED KINGDOM

AGREEMENTS WITH RESPECT TO BEEF, BACON, CHEESE AND EGGS—REQUEST FOR TABLING OF COPIES

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): I wish to direct a question to the Minister of Agriculture (Mr. Gardiner). Will he table copies of the recent agreements concluded with the United Kingdom with respect to beef, bacon, cheese and eggs?

Right Hon. J. G. GARDINER (Minister of Agriculture): I shall be pleased to table copies of the agreements made between Canada and the United Kingdom with respect to the products that have just been named.

(Translation):

DIPLOMATIC SERVICE

CORRESPONDENCE BETWEEN HIS MAJESTY AND THE PRIME MINISTER

Mr. RENE HAMEL (St. Maurice-Lafleche): Mr. Speaker, I wish to direct a question to the right hon. the Secretary of State for External Affairs (Mr. St. Laurent). In its issues of February 7, 9 and 11, 1948, a Montreal newspaper, *Le Devoir*, informs the Canadian public that, after a personal request had been made by His Majesty the King to the

Canadian government, changes have recently been made in connection with the signing—

Mr. SPEAKER: I regret to interrupt the hon. member, but I must remind him that when an hon. member puts a question, he should not give information to the house, but merely state his question.

Mr. HAMEL: My question, of which I have sent a copy to the right hon. the Secretary of State for External Affairs is this: Have any changes been made in connection with the signing of our diplomatic representatives' credentials? If so, what are they?

(Text):

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): The hon. member refers to three articles published in the newspaper *Le Devoir* on February 7, 9 and 11 and one said to have been published in the Chicago *Daily Tribune* on February 10 with regard to the effect of the letters patent constituting the office of governor general of Canada, which became effective on October 1, 1947, and he asks for an explanation in connection with the statements contained in those articles.

I received the hon. member's notice just three or four minutes before coming into the house, and I must confess that I had not read these articles. I have now obtained the articles and will give them careful consideration, but in the meantime I think it would be of interest, in view of the fact that the question has been raised, to place on *Hansard* the explanation which was given by the Prime Minister in a press release of October 1, 1947, dealing with the subject. I will then carefully consider the articles in question and see if there is any difference between what they contain and what was contained in the official statement; and if explanations are to be given as to differences I shall be glad to give them. The press release by the Prime Minister was as follows:

The Prime Minister, Mr. Mackenzie King, announced today that new letters patent governing the office and appointment of the Governor General of Canada had been signed by His Majesty the King on September 8, 1947, and countersigned by the Prime Minister of Canada. The new letters patent (the principal document relating to the office of governor general) come into force on October 1, 1947, and will supersede on that date the existing letters patent of 1931 (as amended in 1935) and the royal instructions of 1931.

2. The royal documents relating to the office of governor general had not undergone a careful revision since 1931. The Canadian government accordingly recommended to His Majesty the issuance of new letters patent consolidating the former documents and bringing them up to date.

[Mr. Hamel.]

3. Apart from textual alterations designed to bring the new letters patent into line with constitutional developments and practices in Canada and within the commonwealth, the principal alterations may be summarized as follows:

(a) By the introductory words of clause 2 of the new letters patent, the governor general is authorized to exercise, on the advice of Canadian ministers, all of His Majesty's powers and authorities in respect of Canada. This does not limit the king's prerogatives. Nor does it necessitate any change in the present practice under which certain matters are submitted by the Canadian government to the king personally. However, when the new letters patent come into force, it will be legally possible for the governor general, on the advice of Canadian ministers, to exercise any of the powers and authorities of the crown in respect of Canada, without the necessity of a submission being made to His Majesty. (The new powers and authorities conferred by this general clause include, among others, royal full powers for the signing of treaties, ratifications of treaties, and the issuance of letters of credence for ambassadors). There will be no legal necessity to alter existing practices. However, the government of Canada will be in a position to determine, in any prerogative matter affecting Canada, whether the submission should go to His Majesty or to the governor general.

(b) The new letters patent revoke and supersede the existing letters patent and the existing royal instructions. The royal instructions have been incorporated in the new letters patent which have been issued under the great seal of Canada.

4. No new commission of appointment will be issued to Viscount Alexander, the former letters patent having been revoked "without prejudice to anything having been done lawfully thereunder." Moreover, Viscount Alexander's present commission is a continuing one expressed to be subject to the existing letters patent "or any other substituted for the same."

5. An appropriate proclamation will, as required by clause XVI of the new letters patent, be published today in the *Canada Gazette*.

6. Annexed to this statement is a copy of the new letters patent, with appendices giving the text of the documents in force prior to October 1, 1947.

That is the complete statement, and I will now table a copy of the letters patent and other documents referred to. As I said before, I will examine these articles to see whether they purport to make any statement of fact that would not be in conformity with the official press release, and give a further answer after I have made that examination.

BUTTER

DISCUSSION RESPECTING IMPORTATION FROM NEW ZEALAND OR AUSTRALIA

On the orders of the day:

Mr. R. E. DROPE (Northumberland ,Ont.): I wish to direct a question to the Minister of Trade and Commerce, a copy of which I have already forwarded to him. Has the question of the importation into Canada of New Zealand or Australian butter been discussed by

any officials on behalf of the government with any officials representing New Zealand, Australia or the United Kingdom, and if so what decision has been reached?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Anticipating a possible temporary shortage of butter in April the government communicated with Australia and New Zealand to inquire whether butter would be available from either source in the event it is required. The replies indicated that there is still a strong requirement for Australian and New Zealand butter for the United Kingdom. Therefore the government has dropped the proposal for obtaining butter from those sources.

HUMAN RIGHTS

INTERNATIONAL BILL OF RIGHTS—APPOINTMENT OF COMMITTEE

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct a question to the Prime Minister, having to do with press releases to the effect that Canada has made no recommendations regarding an international bill of rights. For that reason I ask the Prime Minister whether he intends to set up the committee on human rights and fundamental freedoms at an early date.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have not seen the references my hon. friend has mentioned, but as I understand his direct question it is whether the government intends to reappoint the committee on human rights and fundamental freedoms. The answer is yes.

Mr. DIEFENBAKER: Then if I may ask a supplemental question, has Canada made any recommendations as yet with respect to the composition of the international bill of rights, or with respect to any rights which should be included therein?

Mr. MACKENZIE KING: Obviously I could not answer that question without first conferring with the departments concerned. I shall regard it as a notice, to be answered later.

RENT CONTROL

INQUIRY AS TO EXPIRATION OF CONTROL ON COMMERCIAL RENTALS

On the orders of the day:

Mr. DONALD M. FLEMING (Eglinton): In view of press reports of which the Minister of Finance is aware, I should like to ask him whether the government contemplates any change in the announced policy of permitting rent control on commercial accommodation to expire on March 31, in keeping with the statement made by the minister in the house on January 27, at page 593 of *Hansard*.

Hon. DOUGLAS ABBOTT (Minister of Finance): No, Mr. Speaker. As long ago as June, 1947, I announced in the house that it was not the intention of the government to ask parliament to continue the control of commercial rentals beyond March 31 of this year, and an order of the wartime prices and trade board was subsequently passed—I am not sure as to the exact date—revoking the control of commercial rentals as of March 8, 1948. There is no intention of changing that order.

FOREIGN EXCHANGE CONSERVATION

PROHIBITION OF CERTAIN IMPORTS AND PROVISION FOR IMPORT QUOTAS AND PERMITS

The house resumed from Tuesday, February 10, consideration in committee of Bill No. 3, respecting emergency measures for the conservation of Canadian foreign exchange resources—Mr. Abbott—Mr. Bradette in the chair.

On section 1—Short title.

Mr. ADAMSON: When the committee was last discussing this matter I had moved an amendment respecting the title of the act in which I had suggested the striking out of the word "emergency" so that the act would be known as the Exchange Conservation Act.

I pointed out at the last sitting of the committee that there was no question that, while the exchange situation beween us and the United States was in the nature of an emergency, nevertheless the emergency had now become chronic, and that any attempt to hide the facts of the case would delude the Canadian people in respect of the very essence of our exchange difficulties.

Since then, if anything, the exchange situation has been aggravated by the rapid and startling decline in the security markets of the world. These security markets are a barometer of world trade. They forecast accurately the situation to come, and show more than anything else the situation we are approaching, namely that we are moving from a sellers' to a buyers' market. In other words the international exchange position will be aggravated, as it was during the period of depression in the early part of the thirties.

When I say that I do not anticipate, nor is anything I say now to be so interpreted, that we are entering a period of depression or slump. That is not my intention, nor is it my

belief. But I do say that the changeover from a sellers' to a buyers' market is upon us, and the first move has already been made. Therefore we shall be faced with selling our goods under different circumstances—some of them, I admit, in fortuitous circumstances in that those goods command a world market and are essential to the feeding of the world. On the other hand our essential metals are required for the making of the sinews of industry throughout the world, so that world industry may have the essential raw materials. We are in a fortunate position in that regard. But from the point of view of the over-all position, having regard to the rapid depression and the slump that has taken place on the security exchange, it can be said that we have moved into a different type of market, one in which pressure will have to be exercised in order to sell goods. That being so—and it is bound to happen sooner or later; every cyclical movement of trade develops in that way—exchange restrictions will have to be a continuing part of our way of life until such time as world trade really gets to a state of equilibrium and regains some semblance of stability. It is merely wishful thinking to consider that that is likely to happen in the near future. Therefore I offered my amendment.

I have one further observation to make in this connection, and it is in direct reply to the hon. member for Acadia. He is perfectly correct when he says that I did support the Bretton Woods agreement. I believed, and I still believe, that some method of currency stabilization on an international level was necessary. I still believe there is at least a hope that that might take place. Therefore I supported the Bretton Woods agreement. The levels of currencies agreed upon under this agreement have proved to be completely unworkable. Instead of devaluating currencies, they were placed at an uneconomically high level in order to improve the trading position of the various members of the international monetary fund with the United States. This has made the whole Bretton Woods agreement unworkable.

My position now is that we should take steps to maintain our freedom in respect of the international monetary fund. It has been proved that under present regulations it cannot be made to work, or cannot be a workable instrument for the stabilization of international exchange. It has been proved that the rates fixed by the fund have no real connection with the actual value in the open market of the fund of the member countries. I feel that necessary steps should be taken; and if the fund will not bring reality into its dealings, then either we should withdraw from it or should take such steps as will bring reality into our dealings with the fund.

[Mr. Adamson.]

I say that because there are just two alternatives in connection with currency stabilization, two ways in which it can be brought about. One is by the establishment of a gold standard; and I think it would be wishful thinking if we were to assume that in the chaotic situation of the world today any semblance of a fixed gold standard could be brought into being. The other way is by international agreement to stabilize currencies. I supported the Bretton Woods agreement in the hope that there would be some international agreement and that it would work. Unfortunately it has not proved to be workable.

As I see it, this situation is not likely to be temporary, despite the sanguine hopes of the Minister of Reconstruction and Supply. My reason for saying that is that our trading position is dependent upon world trade. If we are to control our currency, or at least attempt to control it, it will be a long long time before world trade gets into such a state of balance that these or some other regulations will not be necessary. If the government would free the Canadian dollar and abolish the foreign exchange control board these regulations would not be necessary. There are the two alternatives.

There is a third possibility which has been discussed at length in this house by myself, the Minister of Finance and others. I refer to the progressive devaluation of our dollar within the terms of the Bretton Woods agreement. I understand that we can devalue ten per cent and eventually a further nine per cent which would put our dollar at eight-one cents as compared with the United States dollar. But even though we did that, I still believe that exchange conservation measures would be necessary.

We are deluding ourselves by thinking of this as a temporary measure. I have contended that part of this measure should have been adopted years ago. I do not want to repeat what I said the other night, that there are three parts to it. One is devaluation, and that action has not been taken. With the upset state of the world, with the majority of the world trading today under controls directly imposed by governments, unless we are prepared to take a long step and free ourselves completely from the foreign exchange control board, I do not see how we shall be able to get away from controls over currency of this nature for at least years to come. Therefore I move the amendment.

Mr. KIDD: I should like to say something about the amendment moved the day before yesterday by the hon. member for York West, but I rise particularly to bring one or two points to the attention of the Minister of Finance. Just as we entered the house today at three o'clock we were handed reprints of Bill No. 3.

Mr. ABBOTT: That was done merely for the convenience of hon. members. I explained the other night when my hon. friend was not here—

Mr. KIDD: I was here.

Mr. ABBOTT: I beg your pardon. That was done for the convenience of hon. members.

Mr. KIDD: I just wish the minister would listen to me for a moment because everything is not going too well. Only yesterday I had an inquiry concerning this bill, and do you know what I had to do? I had to take Bill No. 3, which had its first reading on December 11, 1947; then I had to note what the minister said on December 8, 1947, as reported on page 18 of *Hansard;* then I had to consider the amendments that were read into *Hansard* on Tuesday, February 10; and then today we have this reprinted bill.

This brings me particularly to the point made by the hon. member for York West, that there is not very much of an emergency in connection with this measure.

Some hon. MEMBERS: Hear, hear.

Mr. KIDD: Just a minute. Sometimes I think the minister gets carried away. It is very difficult to get the Minister of Finance to make a statement. I think hon. members will follow me when I say that when he was Minister of National Defence for over two years we could not get him nailed down to making a public statement in this house. We have the same thing now in connection with the finance department. When we tried to get him nailed down to saying something about policy he journeyed away over to Cornwall one day and then after he left the defence department his successor read a carefully prepared statement complimenting the government on its policy.

What has happened here? This bill has been before us only since the house opened in December. It was actually tabled on November 17 when you went on the radio and tried to tell us about the emergency. You went on the radio with the Prime Minister and the Minister of Trade and Commerce, and you gave us the contents of this bill which was brought in a couple of weeks later. So I take issue with you. It is being done more or less by order in council, and then you come in and expect the members of this house to agree with you. Since the bill was brought into the house you have made two amendments—

Mr. ABBOTT: Those amendments have not been moved yet.

Mr. KIDD: Never mind; the fact is that this is creating hardship for the people of Canada, and if that were not so I would not be making these remarks now. I think some of the blame for this procedure must rest on the Prime Minister and the law clerks. I contend, and I think many agree with me, that in dealing with this bill you should have followed the same procedure as you do when bringing down your budget. In fact, if it is an emergency the house should have been called two weeks earlier.

Mr. ABBOTT: Submit that to the new committee on rules.

Mr. KIDD: I am not going to argue one way or the other. When you were replying the other day to the hon. member for Peterborough West, as reported on page 1077 of *Hansard,* you held up two advertisements in an effort to justify what you are doing.

Mr. ABBOTT: I know my hon. friend wants to be in order. I believe he is supposed to address the Chair and not use the second person singular.

Mr. KIDD: I know the Chair pretty well and I will agree with him. While you were speaking you held up one advertisement, and you could have held up two, in an effort to show that everything you had done was quite proper and in order. It is not in order. One advertisement appeared on January 14, and the other a week or so later. You were hoping that the public more or less took those in.

An hon. MEMBER: Address the Chair.

Mr. KIDD: Never mind. You interjected something about the $10 clause, and that is where I want to take issue with you. You referred to the order in council of May 23 which permits Canadians to take across the border United States funds to the amount of $10 and $15 Canadian. Three ladies of my constituency crossed the border and they had to undergo hardship because you did not do what you should have done.

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

An hon. MEMBER: Sit down.

Mr. HARTT: Will you please stop hollering?—because it will not do you any good. I rise to a point of order.

An hon. MEMBER: Look at your assistant, Mr. Abbott.

Mr. HARTT: I do not expect anything from some hon. gentlemen but grunts, and I do not want the hon. gentleman's advice. I submit, Mr. Chairman, that the speaker who had the floor was entirely out of order. Clause 1 deals with the short title of the bill. We have discussed the principle of the bill—

Mr. FERGUSON: What is the principle?

Mr. HARTT: The hon. member would not understand it, not with his brain power. Clause 1, as I said, deals with the short title, which reads:

This act may be cited as the Emergency Exchange Conservation Act.

Either the title is correct or it is not; either it is acceptable or it is not.

Mr. MACDONNELL (Muskoka-Ontario): The amendment is to determine whether it is correct or not.

Mr. HARTT: If there is any objection to the title, let it be stated; but I submit, Mr. Chairman, that it is not in order to discuss currency policies or anything else that may come to mind on this particular clause.

Mr. POULIOT: Speaking to the point of order, Mr. Chairman, I submit that no ruling can be made until the hon. member for Kingston City has finished his argument.

Mr. LENNARD: On a point of order, when I rise in this house, which is not very often, I speak from my appointed place in this chamber, and I feel that if backbenchers in other parts of the house did the same we should make more progress.

Mr. HARTT: Speaking again to the point of order, Mr. Chairman, I have a right to repeat, and I think the committee will grant it to me—

Mr. POULIOT: I submit, Mr. Chairman, that no one has the right to speak twice on the same point of order.

Mr. HARTT: I accept the hon. member's point.

Some hon. MEMBERS: Sit down.

The ACTING CHAIRMAN (Mr. Bradette): In committee of the whole a certain amount of latitude is allowed on the first clause. I hope that that privilege will not be abused. I will ask the hon. member for Kingston City to proceed.

[Mr. Hartt.]

Mr. KIDD: I think the Minister of Finance should make a statement in advance of any such order in council as P.C. 2045 going into effect. It was passed on Thursday, May 22, 1947. Nothing was said about it on Friday, May 23, nothing on Monday, May 26, nothing on Tuesday, May 27, until a reply was made to a question asked by the hon. member for Rosetown-Biggar. That is the only time the Minister of Finance made a statement about the order in council. I bring this up because one of my constituents was directly affected. Three girls were journeying by bus from Kingston to the United States, over the international bridge, as they do once or twice a year. They were picked up by the customs officials. I want to pay a compliment to the customs officials, nearly all of whom are veterans of world war I. They are very courteous and gentlemanly, but they have to carry out their instructions under the foreign exchange control order. This girl was asked how much United States currency she had. She told them $40 U.S., plus $5 Canadian. They said that was $30 too much. She had to leave $30 with them. They gave her a form which she signed, and it came back to Ottawa. She then proceeded to Watertown with her friends. The officials said that the girl should have had form H with her, but this girl did not know it was necessary. She had collected her United States currency at various stores. When she came back across the border she expected that the $30 would be refunded, but the officials intimated that she had broken the law. Probably she had, but the point is that if she broke the law it was the fault of the Minister of Finance for not publicizing the order in council. He said nothing about it on the floor of the house, or on the radio, and no advertisements about it were published in the press.

Mr. ABBOTT: I must interrupt the hon. member. First, on a point of order, Mr. Chairman, this has nothing to do with the present bill. The matter to which he refers took place last May, and I cannot recall whether I made an announcement in the house.

Mr. KIDD: No, the minister did not.

Mr. ABBOTT: I will accept the hon. gentleman's word, but I do know that the details of the order were widely publicized. I raise the point of order, Mr. Chairman, that we cannot discuss the administration of the foreign exchange control board on clause 1 of this bill. If we attempt to do that we open up a discussion that will keep us here until the heat of summer. I did not interrupt my hon. friend when he was stating his case, but I

would ask the members of the committee to keep within the scope of the bill we are now considering.

Mr. KIDD: I am not going to say any more, but the minister did make a statement the other night on the $10 restriction.

Mr. ABBOTT: That was in reply to a question.

Mr. KIDD: An hon. member asked me whether the girl got her money back. She did not.

The ACTING CHAIRMAN (Mr. Bradette): Standing order 58(2), reads:

Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

We are on clause 1, and I would ask the committee to keep within the orbit of that clause.

Mr. CASE: I hope to keep within the rules, Mr. Chairman, in discussing the short title of the bill, which reads:

This Act may be cited as the Emergency Exchange Conservation Act.

That indicates the purpose of the bill. By this bill we are delegating to a minister of the crown, to one person, tremendous authority. There is such a thing as the law and the spirit of the law. I know this act is to be administered by the Minister of Trade and Commerce.

Mr. ABBOTT: No; schedules I and II will be administered by your humble servant and schedule III by the Minister of Trade and Commerce.

Mr. CASE: When we come to the other schedule we shall hear from the minister responsible for administering it.

Mr. ABBOTT: That is the intention. On the point raised by my hon. friend I think I mentioned the other night that in matters relating particularly to schedule III, that is the permit system for so-called capital goods, I would expect my colleague the Minister of Trade and Commerce to deal with that schedule, and I shall handle the questions as to schedule I, relating to prohibitions, and schedule II, the quota item.

The ACTING CHAIRMAN (Mr. Bradette): Is the committee ready for the amendment?

Mr. SMITH (Calgary West): I have a question to ask; I hope I am in order. I want to assure the minister that there is no catch in it; I am really looking for information. I was wondering under what authority we are acting now. Is it the War Measures Act?

Mr. ABBOTT: P.C. 4678, under the Foreign Exchange Control Act.

Mr. SMITH (Calgary West): That lasts until when?

Mr. ABBOTT: From memory, 1949 or 1950.

Mr. SMITH (Calgary West): We seem to be getting along pretty well the way we are under the War Measures Act. Why is it necessary to bring in this legislation?

Mr. ABBOTT: I shall be very glad to answer that question.

Mr. SMITH (Calgary West): Perhaps the minister has explained it before.

Mr. ABBOTT: I did, first in the broadcast which I made on November 17 in announcing the proposed policy, and again in the house when I introduced this legislation. Broadly speaking what I said was—this has been discussed before—that the Foreign Exchange Control Act was not intended to be used for the purpose of imposing import restrictions on goods.

Mr. JACKMAN: Not like a sledge hammer.

Mr. ABBOTT: I am replying to the hon. member for Calgary West. I am repeating what I said at the time. The act was not intended to be used for that purpose, but we were advised by the law officers of the crown that powers did exist under the act whereby we could impose those restrictions. I said in my broadcast address and in introducing the bill that in these circumstances the government felt that it should bring before parliament at the first available opportunity specific legislation to impose these restrictions. That is the position. We may be criticized for our action in using the foreign exchange control order, but that is the reason why the government is now asking parliament to enact in statutory form a special exchange conservation measure.

Mr. SMITH (Calgary West): I did not ask the question for the purpose of getting an opportunity to criticize. I was wondering—and perhaps this is not done; I do not know—whether a copy of the opinion about which the minister spoke could be made available.

Mr. ABBOTT: The opinion was a verbal one. I have a memorandum which I can make available. I say that offhand; I do not know whether one usually produces the opinion he receives; it was a verbal opinion given to me.

Mr. DIEFENBAKER: Who asked for the opinion?

Mr. ABBOTT: I asked for it. I think I answered that question in the house before; but in any case I asked for the opinion.

Mr. SMITH (Calgary West): If the minister gave that information before I did not hear it.

Mr. ABBOTT: I do not think my hon. friend was here when some other hon. member raised the question.

Mr. SMITH (Calgary West): Did I understand the minister to say that he would be glad to let me look at the memorandum?

Mr. ABBOTT: Yes. I do not know that one usually tables these opinions in the house. I asked for the opinion, I received it, and I have a memorandum in my file which the deputy minister of justice gave me.

Mr. SMITH (Calgary West): I shall appreciate it if the minister will be good enough to let me see it. I am not much of a lawyer, I know, but I may differ from the view that has been given to the minister.

Mr. MacNICOL: Mr. Chairman, so far I have not passed any comment on the bill which has been introduced. I wish that the Minister of Reconstruction were in his seat, because what I have to say concerns him.

I am one of those who wishes to see made effective the pronouncement some time ago of the Minister of Reconstruction and Supply that goods which are not made in Canada at the moment, but could be made here, should be made here. One of the schedules prohibits the importation of that type of goods. The minister has a program which I heartily endorse, namely, that of making more use of branch factories located in Canada of United States factories. The minister intends to encourage them to ship back to the United States many of their finished products made in Canada. I agree with that. The minister has an opportunity there which will be good for Canada, because there is a large number of United States plants, many of which I am thoroughly familiar with, whose plants in Canada are producing exactly the same material as they are in the United States. Some of these plants are located in Toronto, Hamilton and elsewhere in Ontario and Canada. I am going to encourage the Minister of Reconstruction and Supply to pursue that policy.

Much of the material that is now barred cannot be completed here unless more material and more machines come in. I want to assist the minister to the best of my ability to pursue his policy along that line in the hope that he will save a lot of United States dollars by having material made in United States branch plants in Canada shipped back to the United States. I was thinking of one item, school furniture. At present, boards of education in Montreal, Toronto and elsewhere buy special school furniture in the United States. There are United States branch plants located in Canada. I have in mind one branch plant which makes a special line of school furniture. At the moment they need more machines to equip the plant to finish what they make. Until they are able to obtain certain equipment they will not be able to make the equipment our schools want.

The minister has had a lot of business experience. I hope he will see to it that some latitude is given to enable branch plants of United States firms located in Canada to finish the products that they can make. I repeat, I think the minister has something there and I should like to encourage him in every way possible to promote shipment to the United States of any material made in Canadian branches of United States plants, material which is exactly the same as that made in the parent plant in the United States. I cannot understand why a plant in the United States which has a branch in Canada should hesitate to encourage the importation into the United States of goods made in their Canadian plants. If that were done we would save a lot of United States dollars, and it would be doing no injury to our friends across the line.

When I take part in a debate I always try to add something worth while. Because of my long business experience I believe the Minister of Reconstruction and Supply has something in that program. I want to support him in that regard.

There are one or two other matters on which I should like to speak while I am on my feet. I should like those who have to do with issuing permits to use their best judgment in that regard. Do not ask busy men, big business managers, sales managers and their advisers, to come down to Ottawa to obtain a permit for some small item. I hope that in working out the program the two ministers have in mind, busy men will not have to come here for everything if a letter will do. I have no doubt that the department has officials who will be available to determine at once, even from a good letter, whether they should issue a permit or not. I hope consideration will be given to these busy men. They find it difficult enough to make a go of business without being harassed in coming down here to get a permit for a small item. Perhaps that is another way the two departments can assist in saving United States dollars. When the

matter is laid clearly before the department I hope there will not be too much difficulty in getting a permit.

I wish to say to the Minister of Finance that Canadians generally want to assist him in saving United States dollars. I think everybody is imbued with the idea that it is necessary to do that. How can we assist him? I think Canadians want to help him. We all realize that we must cut down on what we buy from the other side. On the other hand we must enable those who are producing in Canada equipment containing something produced in the United States to be able to finish that equipment. If someone asks for a permit for a small machine or a small part of a machine to assist in making his product—for instance, school furniture—or some small part to complete the equipment which when completed could be exported back to the United States, thus bringing in United States dollars, I hope the two departments will use their best judgment to help business. I think most people really want to do the best job they can for Canada under present conditions. That is the spirit we all should have.

I wish to mention one further item, namely, stone. Many of the schools in the big centres use a great deal of Indiana limestone and other special types, and additions to some schools are planned. No one knows better than do the two ministers that two different types of stone cannot be used in the outside walls of a school without spoiling the whole symmetry of it. I do not know just what can be done. We do not want to import any more stone than necessary. But if a case like the one I have mentioned should arise, I suggest to the two ministers that they see to it that no trouble occurs. If it is a whole new school building that is planned, they should see to it that the school is built wholly of Canadian material, if it is available or if it can be substituted. But where a school is partly built and an addition is being made, I suggest that some judgment be used in deciding whether the material required to build that addition should be admitted or not. At the moment I do not know whether it is admitted. I hope the best expectations of the government will be realized and that as much foreign exchange as possible can be saved. I for one want to help in achieving that objective.

Mr. ABBOTT: I thank the hon. member for Davenport for his remarks. I shall see that the parts which relate to schedule III are brought to the attention of my colleague the Minister of Trade and Commerce. My hon. friend can rest assured that both of us will do whatever we can to minimize any necessary inconvenience to the Canadian public as a result of these unfortunate restrictions.

The ACTING CHAIRMAN (Mr. Bradette): I did not want to interrupt the hon. member for Davenport, but I should like to point out to the committee that I feel that specific items should be dealt with under the proper section, such as sections 3, 4 and 5. There are lengthy schedules under which specific items may also be dealt with.

Mr. QUELCH: I wish to address a question to the minister with regard to the conservation of United States exchange. Can the minister tell the committee how far discussions have gone with regard to the Hyde Park agreement? The specific point I have in mind is this. Last week my attention was drawn to an article which stated that the United States would be buying from Canada farm produce for re-export to Europe, and that the price paid therefor would be similar to the price we receive under the British agreement. If that is correct, I should like to ask if that price would apply to all farm produce bought from Canada by the United States for re-export to any country in Europe, or would apply only to the farm produce bought from Canada for re-export to the United Kingdom as part of Canada's commitments to that country?

Mr. ABBOTT: I have seen some of the press reports to which the hon. member for Acadia has referred. However there have been no discussions along those lines with the United States authorities, and of course there cannot be any until congress has decided on what plan, if any, is to be approved for purchases for assistance to Europe. As I have said on a number of occasions, we are hopeful; we believe that if a plan is passed it will authorize what have come to be known as offshore purchases, and that there would be funds available for the purchase in Canada of the things we have to sell and which are needed in western European countries. To answer my hon. friend's question specifically, for the reasons I have explained there have been no discussions with the United States government authorities as to the basis on which such commodities will be purchased.

Mr. MACDONNELL (Muskoka-Ontario): I want to say a word on the amendment, and to remind the committee that the tenor of it is to point out that this bill is likely to be on the statute book for some time. With that wise caution which nearly all lawyers develop in the course of their practice the minister said he was "not going to attempt to hazard any prophecy or guess as to how long we

might have to continue some kind of proper action to conserve our exchange and reserve position." I notice that his colleague, the Minister of Reconstruction, is still unrepentant about his use of the word "months", because he is reported to have used it again in Halifax a night or two ago. I want to point out that this bill has no time limit on it, although the foreign exchange control bill, to which we made so much objection, did have a time limit. I believe it has only a little more than a year to run.

I want to point out again—I intend to say it in season, and perhaps the minister will sometimes think out of season—that this is a bill conferring arbitrary power of a kind absolutely foreign to all the professions of the party opposite. I am sorry that the hon. member for Quebec South (Mr. Power) has left the chamber; he was in his seat earlier. I was proposing to ask him, in view of the things he has had to say about Liberalism, what he has to say about this arbitrary power. I should like to point out again that no matter in what temporarily pleasant hands arbitrary power is placed, it is still arbitrary power.

In December when we were here I ventured to make a prophecy. I ventured to say there would be little demur or protest from the business community, and I said the reason was that they would be afraid to come here. I do not often venture into the realm of prophecy, but I have had that one proved to my entire satisfaction. One of my friends tells me that he went to something like a dozen business firms to get some comment from them. Not one would say a word. And who is to blame them? After all, they may have to come down here next week to try to make some terms with the minister. I want to say again —and I hope my friends in the business community will hear me—that this is arbitrary power of the very kind that existed in Germany. I do not intend to talk about national socialism and all that kind of thing, but power is power. I want them to know that this is the same kind of power that the businessmen in Germany welcomed and thought would not hurt them a great deal. Indeed, for a while they thought it went nicely and even ministered to their profit. In the end they found that arbitrary power was not a pleasant thing.

I have just one further word to say. The gentlemen to my immediate left, even in the somewhat extreme suggestions which in our opinion they have from time to time made as to the exercise of power, have never I believe suggested a power like this, where one man has it in his hands to make or unmake any business which has, as so many have, the need of substantial imports from the United States. Therefore we have a government today which is going beyond even socialistic doctrines so far as they would be applied at the present time by the gentlemen to our left. I ask the business community to remember that. I understand their difficulty at the moment, but I remind them again that when this sort of thing begins you can never tell where it will end.

[Mr. Macdonnell (Muskoka-Ontario).]

The ACTING CHAIRMAN (Mr. Bradette): Order. I really believe a great deal of this discussion should have taken place on second reading of the bill. I have been very indulgent so far, and I hope that indulgence will not be abused.

Mr. PEARKES: Speaking to the amendment, I notice that on page 323 of *Hansard* for December 16 the heading given when the minister introduced his bill was, "Foreign exchange conservation". Obviously even the editor of *Hansard* seemed to have some doubt as to whether or not there was an emergency in connection with this bill. Then turning to page 336 of *Hansard* for the same date, the minister was speaking and reference was made to the reason for the imposition of some of the taxes; and they were said to be imposed in order to protect the regular suppliers in the United States and the dealer organizations in Canada. I do want to suggest that a degree of protection is required for those producers in Canada who are growing the vegetables required to replace those which are prohibited.

The ACTING CHAIRMAN (Mr. Bradette): If the hon. member will permit me, I suggest that in the following sections and schedules he will find ample opportunity to deal with specific matters, instead of bringing them to the attention of the committee at the present time.

Mr. PEARKES: I want to refer to one statement made by the minister on February 10, when he was again dealing with the production of vegetables and referring to lettuce and tomatoes produced in hothouses. He rather insinuated that vegetables produced under those conditions were not equal to those produced in the United States under natural conditions. I do suggest this fallacy was exploded many years ago, and that all kinds of tests—

Mr. ABBOTT: I did not intend to give that impression. I said they were luxuries, but I do not know whether or not they are as good.

Mr. PEARKES: The minister's words are at page 1082 of *Hansard*:

. . . it would be far better to buy lettuce and tomatoes where they are grown naturally in the open. . .

If I have placed the wrong interpretation upon those words I shall be very glad to have the minister correct me.

Mr. ABBOTT: I was just assuming it was more expensive to grow them under glass; that is what I was referring to.

Mr. PEARKES: I want to point out that this is the time when the vegetable growers on Vancouver island are actually sowing their vegetables. That is done during February and March, and this is the time they have to make a decision as to whether or not they are going to plant more than they have planted in the past. Therefore I would ask the minister whether he could give the same degree of assurance to those vegetable growers on Vancouver island that he has given to producers in the United States, that they may have a reasonable degree of protection.

Mr. ABBOTT: Well, Mr. Chairman, in the first place I have not given the growers in the United States any assurance that they will have any protection at all. All I have said is that I can give no one in this country any assurance as to how long these restrictive measures will remain in force. That is as far as I have gone; and I have repeated that statement on a great many occasions, about as many times as the hon. member for Muskoka-Ontario has made his speech about the arbitrary powers contained in this bill.

Mr. MACDONNELL (Muskoka-Ontario): And you will hear it again.

Mr. ABBOTT: I do not know that I can add anything to what I said the other evening.

Mr. LOCKHART: I believe another hon. member may intend to introduce a new matter, but I should like to ask a question in relation to a brief reference the minister made a moment ago. I am confused; I am just wondering where one may come in. The minister said this bill was based originally on the provisions of the Foreign Exchange Control Act, or that it was made necessary because of the application of that act.

Mr. ABBOTT: No. I said the order in council which is now in effect, or the regulations which are now in effect prohibiting imports from the United States and placing others under quota, were passed under the provisions of the Foreign Exchange Control Act, which as my hon. friend knows is another statute which was enacted by this house a year or so ago and that the government felt it would be more appropriate to have a special statute introduced in this house and adopted to cover these particular restrictions. That was my statement.

Mr. LOCKHART: Granted that, the very first sentence at the top of Bill No. 3 is "an act respecting emergency measures for the conservation of Canadian foreign exchange resources". The hon. member for Kingston City raised a point in connection with the imposition of certain control regulations at border points. Since this discussion has been under way three or four very serious matters have come to my attention. If the minister says that cannot be done, or if you, Mr. Chairman, rule that it cannot be done under section 1, the short title, would someone please advise me just where a member may bring up a matter of this kind? You have said there was a lengthy discussion on the motion for the second reading, but at the same time there are particular matters which should be dealt with, and I am wondering if there is any place in this bill where I might bring up briefly one or two points.

Mr. ABBOTT: If I may make an observation I would say there is no place in this bill at which my hon. friend or any other hon. member could properly discuss the operations of the foreign exchange control board. A discussion of that matter could perhaps take place on various occasions. One such occasion I can think of offhand would be when the appropriation in my estimates for the administration of the foreign exchange control board is before the house. At that time, of course, hon. members would have full liberty to air any question relating to the administration of the board, which as my hon. friend knows is an agency of the Minister of Finance.

Mr. LOCKHART: Then if there is a specific matter having to do with the conservation of United States dollars I take it we must search through schedules I, II and III to find a place where that discussion would be in order. Is that a correct understanding?

Mr. ABBOTT: As my hon. friend knows, this bill relates only to the importation of commodities. On the appropriate schedule, or on one of the sections dealing with permits, I should think the hon. gentleman could make any observations he wished as to the way permits issue and administration was being handled; but it would have to relate

to matters concerning the import of commodities. Travel restrictions, for instance, could not be debated under this bill.

Mr. LOCKHART: I am not worrying about travel restrictions, but it appears to me this is a case of confusion worse confounded.

Mr. KNOWLES: If the hon. member for York West is serious in proposing his amendment that the word "emergency" be struck out of the title, I rise to oppose it. Like the hon. member, if he was here, I voted against second reading of the bill. It seems to me the one redeeming feature of the bill, since I am opposed to it, is that it is only an emergency measure. If you took out that word, since there is no time limit in the bill, as the hon. member for Muskoka-Ontario has pointed out, it seems to me we would have on our necks permanently something we do not want. The hon. member may have had some point in mind in offering his amendment; but it seems to me to be ridiculous. We should vote on it and get on with the bill.

Mr. ABBOTT: I have been waiting until the end of the discussion on this section before making my reply. The hon. member for Muskoka-Ontario asked for some information at the last sitting, and before we finish the discussion on this section I should like to give it. I shall be prepared to say a few words when other hon. members have concluded what they have to say with respect to this striking amendment.

Mr. SKEY: The other evening when this section was under discussion the minister and I took part in a verbal exchange. He expressed a view which I should like to bring to the attention of the committee, and with your indulgence, Mr. Chairman, I should like to place some facts on record.

The minister referred to the reports of the banks of Canada as reliable documents, and suggested that I should read them.

Mr. ABBOTT: Just in fun.

Mr. SKEY: Well, I have read them—or at least those of them I could find. He suggested that they approved the action taken by the government. I have been able to find one reference in a bank report in which he might be interested. In a statement made by Mr. Dobson, president of the Royal Bank—and as I do not know this gentleman I hope his being quoted in the committee will not make him subject to penalty—he says:

> Something drastic had to be done. Whether the restrictions imposed will prove effective remains to be seen. All hoped the controls would be temporary.

[Mr. Abbott.]

Then I turn to a statement by Mr. Bryden, of the North American Life Assurance Company, who was a graduate in commerce and finance and got his training from the same sources from which Mr. Rasminsky of the Bank of Canada received his training. Mr. Bryden states:

> The Canadian dollar is being held at parity with the United States dollar, when it is perfectly obvious that our balance of payments with United States doesn't justify such a rate. Other currencies generally are being held at exchange rates which cannot be justified on the basis of their balance of payments with us.

Those are two financial references. The third comes from the president of the Royal Trust Company, who has this to say:

> In consequence of this we fail to realize that our thinking could be simplified if we went down to what I believe to be the basic fact that there can be no lasting cure for international financial difficulties without a return to free convertibility of national currencies at realistic exchange rate.

That is the financial side. Then, referring briefly to the commercial side, I would quote what was said as recently as two nights ago over the Canadian Broadcasting Corporation by Mr. Courtland Elliott, executive member of the Canadian chamber of commerce:

> The facts probably are that the present emergency is due, not to a few acts of recent occurrences, but to the combination of a whole series of interferences by government planners which had the effect, at one time or another, of upsetting the normal functioning of prices, interest rates, wages, foreign exchange values and other factors.

I do not ask the minister to rise in his place and attempt to refute the quotations I have made.

Mr. ABBOTT: I agree with them, in substance.

Mr. SKEY: I merely rise to say that when there was a great government campaign in respect of price controls Mr. Donald Gordon was in charge of the prices board. The government went out, with Mr. Donald Gordon back of it, to sell the Canadian public on this measure. We now see that those false controls could not keep the Canadian people from suffering from the tremendous rise in prices. I would now apply the same lesson to the exchange situation. If in this instance the government goes out to sell this policy to the Canadian people, offering it as the only solution, it will find itself in the same position as that in which it found itself in connection with price controls.

All I urge is that the minister and his advisers take counsel with themselves, keep an open mind on the subject, and do not try to tell the Canadian people that this is the only way out.

Mr. ABBOTT: I thank my hon. friend for his advice. The government is in favour of the free convertibility of currency, and it is in favour of realistic exchange rates. It believes that the Canadian exchange rate is a realistic rate.

As to keeping an open mind, we will always try to do that. I am not prepared to say that this is the only way of solving the problem. However, after a great deal of careful consideration the government did come to the conclusion that it was the best available means at this time. That is why the measure is before the house.

Mr. BENTLEY: Mr. Chairman, I have three observations to make. Two of them I will be allowed to make, but I am not so sure of the third one; therefore I shall leave it to the last.

First I will ask the minister a short question requiring only a short answer. In reply to the hon. member for Acadia he used the expression "offshore purchases". What does that mean?

Mr. ABBOTT: It has come almost to be recognized as a term of jargon. It means purchases made outside the United States with funds appropriated under the European recovery plan.

Mr. BENTLEY: We thought so, but we were not sure.

Mr. ABBOTT: Those have come to be generally understood as offshore purchases.

Mr. BENTLEY: We could have a better definition.

Then, coming to my next point; I am a law-abiding citizen and am anxious to abide by the rules of the house. I do not wish to do anything to embarrass anyone. At the same time I do not want to be deprived of my rights as a member. I believe half of the comments made here this afternoon could have been ruled out of order so far as the subject under discussion is concerned. What I have to say is along the same line, but perhaps with a different slant, and I should like to know whether I shall be permitted to proceed or whether we will hold strictly to the rules, as a result of which I would have to wait until next July to say what I should like to say now or in the near future.

Mr. ABBOTT: Have a try now.

The ACTING CHAIRMAN (Mr. Bradette): I know the hon. member for Swift Current fully realizes that the Chairman as such has no personal preference. However he must help to enforce the rules—and on this point the rules are definite. I would refer hon. members to standing order 58 (2) which states clearly:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

The Chairman of necessity must rule in accordance with what I have read.

Mr. BENTLEY: It is so difficult to decide exactly whether what one has to say falls within that scope. I think in some respects I am within it, although possibly in other respects someone may find that I am not.

A moment ago the minister replied to the hon. member for Acadia who had stated that there was more to the Hyde Park agreements than meets the eye. I have reason to believe that the Hyde Park agreements and the later arrangements made between Canada and the United States have had some influence upon this bill. I want to remind the house that the other day I asked the Secretary of State for External Affairs if there was anything more to the Hyde Park agreements than the house already knew. His reply was concise and definite, that only what appeared in the President's and the Prime Minister's statements on April 20, 1941, as issued to the press, was contained in them. However, the Ottawa *Citizen* of February 7 had this to say:

> The Washington correspondent of the Evening *Citizen*, Mr. Peter Inglis, however, has found that the senate committee on small businesses is in possession of much more "evidence."

He then goes on to discuss the whole matter, and he deals with the problems that confront the Canadian people because of this bill and other measures that are before us, such as the Geneva trade agreements. He points out that arrangements have been made between the two countries which have never been formalized or, as he puts it, have never been coded; nevertheless they are in the archives of the two nations. Apparently under this arrangement letters between Mr. Ray Atherton and the present Minister of National Defence indicated that while the United States govern-

ment recognizes Canada as the forty-ninth state in the matter of receiving imports such as oil and steel, nevertheless, and again I quote his words:

—it offers Canada no apparent help in her present dollar difficulties.

On other occasions we have contended that it was unfair to apply the non-discriminatory clauses of the Geneva trade agreements to this particular bill. But the fact remains that in one section of the bill it is stated that permits will not be issued unless in the opinion of the minister they are necessary or hardship will result. We have seen no evidence since the minister assumed charge of his department that he has a mind which is receptive to other people's opinions. Apparently he is quite opinionated. We find that generally he has made up his mind before he comes into the house and there is no use offering any argument here. He contends that everything in this bill is all right, but the fact is that these non-discriminatory clauses are working hardship on some businessmen.

A short time ago the hon. member for Davenport said that he hoped the big business men of Canada would not be inconvenienced by having to come to Ottawa to see officials in order to get permits. I submit that it is infinitely more important that the small businessman be not required to do that. The big businessmen can afford to hire emissaries; they have expense accounts and they can send their people down, but the small businessmen have no possible way of getting down here, and, as someone suggested the other day, having a cup of coffee with the Minister of Trade and Commerce, a glass of Scotch with some other people, and a dinner with someone else. They simply cannot afford to come here and buy Scotch and Coca Cola.

An hon. MEMBER: Unfair to use trade names.

Mr. BENTLEY: In looking through the bill I cannot find any section which would cover the illustration I want to give, but the fact is that the particular item has been banned. A small businessman in my city has been running a little shop where he sells goods. He is a good businessman and he has been able to get many customers. He recently took on the agency for the Norge and Magic Chef cooking ranges which use propane or bottled gas. Because of his aggressive sales policy and the fact that he was located in a

section of the country where there was an immediate response because of a shortage of other fuel such as electricity and so on, he was able to build up a fair business. In the early stages he could handle the delivery of the bottled gas with his own truck, but later on the business developed to the point where he had to keep larger quantities of this propane gas in store in order to assure a continuity of service to the people to whom he had sold stoves. This meant a heavy investment. To a big businessman the investment may have represented only peanuts, it may have represented only the cost of a couple of trips to Ottawa, but it was a large investment for this man to make. He now finds that he cannot import Norge or Magic Chef stoves from the United States, and that it is difficult to get propane gas. His investment is lying idle, or mostly idle, because he cannot store the stuff. He could have bought the stoves from Great Britain, but he is not allowed to do it. The British trade commissioner wired on December 19 that these cooking ranges are on the prohibited list from Great Britain.

We are supposed to be dealing with the principle of the bill, and I contend that that prohibition is unfair. The only item I can find that applies to this is item ex 446a on the last page of the newly printed bill.

Mr. ABBOTT: It would come under item ex 443 on page 10.

Mr. BENTLEY: The fact that there is an item in the bill makes it no better or no worse; it just makes it a little easier for me to understand it. I think the minister should give consideration to some of these things. We want British goods over here. Our people have indicated their willingness to use these commodities. Our merchants have indicated their willingness to merchandise them in this country. A majority of this House of Commons has indicated belief in private enterprise and private initiative. Surely things should not be done that hamper initiative simply because some other nation desires the application of the non-discriminatory clauses contained in the Geneva agreements.

I should like to refer to a speech made in this house by the Minister of Finance, who said, when asked why he applied these non-discriminatory clauses:

While it possibly could not be called a fetish with them—

That is the United States.

—it is a principle to which great importance is attached.

I have been suspicious of what has been going on in the last few years, and I believe that we are actually being sold to the United States. Before we go any further with it I should like to know the terms of sale. I can see no earthly reason for banning British goods from this country. In this connection I should like to quote a reprint from the Toronto *Globe and Mail*, appearing in the Vancouver *News-Herald* of January 30, 1948. It says in part:

> The intent of the program was to discourage purchases from the United States. But the same bans were applied to the soft currency countries, which were thus deprived of any chance to repay us in goods for the credits we had extended them. Mr. Abbott and his brain trust, in their eagerness to keep Washington happy, evoked a "non-discrimination" clause. Its effect has been to discriminate most harshly both against the Canadian people who have to pay the cost and against those nations we should be seeking to help.
>
> The British board of trade, for instance, released on December 11 a list of manufactured articles available for export. Of 86 items on the list, 39 were under the import ban, 13 were restricted by quotas, 21 were subject to 25 per cent excise tax and 13 could be imported only under permit.

I submit that the whole thing is unfair and that parts of this bill should be revised by the minister to make it acceptable to the Canadian people as a whole and to this house as representative of the people.

Mr. ABBOTT: Perhaps I had better answer now one or two points raised by my hon. friend. First he referred to the Hyde Park agreement and intimated that this bill is in some way tied in with benefits we got from the United States under the Hyde Park or some other agreement. That is not the case. The Hyde Park agreement during the war actually resulted in the purchase in Canada by the United States of about one and a quarter billion dollars worth of goods and that accounted in substantial measure for the very strong position in which our dollar reserves were at the end of 1945.

I have answered my hon. friend's point as to the non-discriminatory clause on two or three occasions. As to the United States making almost a fetish of non-discrimination, we do too. No country has a greater stake in the principle of non-discrimination than has Canada and being of that opinion we feel that we should set an example. I have repeated time and again that on balance this does not prejudice exporters from soft currency areas. On the contrary it helps them enormously. But because of the quota system, while that results in severe restrictions of United States imports, it permits a tremendous expansion of importations from soft currency countries.

As to propane gas type stoves and heating and cooking apparatus, importations are very heavy running into several million dollars. I cannot say offhand how much of that is represented by the propane type of gas stove, but the proportion would be substantial. We have to select some things to exclude. The government has no illusion that this will be a popular measure. We fully realize that, in essence, it is bound to be unpopular, but it is one of those things which the government has to do on occasion. There is no doubt that this is not a vote-catcher. I have no illusions that we are going to get a lot of votes by this measure. But the measure is an unfortunate necessity. If we are going to accept responsibility for the restriction of imports, we have to restrict something; we have to select the less essential commodities which are in reasonably good supply in Canada. I daresay that propane gas type stoves are produced here.

Mr. BENTLEY: By two firms which have practically a monopoly.

Mr. ABBOTT: That business has grown up largely in the last two or three years. If some means can be found of affording some relief there, well and good, but, as I said at the outset when I announced this policy on November 17, there are bound to be some hardships and inconveniences. We have tried to make them as little as possible. These articles on the prohibited list have been selected with the greatest care. We have endeavoured to select articles which were imported primarily from United States dollar areas rather than from soft currency areas. I think we have been pretty successful in that, because I am informed that if imports were on the same scale as last year the whole prohibited list would exclude only one and a quarter million dollars worth of goods from the United Kingdom, which is negligible compared with the total importations. That is the position with respect to the non-discriminatory question. It is, of course, non-discriminatory. We believe strongly in that principle. It is not as non-discriminatory in fact as it is in form. We have maintained the principle of non-discrimination, and I for one believe and the government believes that it is in the interests of Canada that this principle should be maintained.

Mr. BENTLEY: I just want to comment on the minister's statement about these gas

stoves being made in Canada. They are made I believe, by two firms in Canada, McClary and Clare Bros. McClary and Clare Bros., if they make them, have a policy of granting an exclusive agency, and because of that, other dealers are shut off from this source of supply. It is virtually a monopoly for these two firms and their agents. Something should be done to ease that situation in the interests of the Canadian consumer, if these stoves are manufactured here, and I understand that they are. Otherwise the minister will only confirm my original statement that he never changes his mind once he brings his policy into the house.

Mr. ABBOTT: I do not agree. I have changed my mind in a number of cases. I have made a number of amendments when they have been shown to be desirable or necessary, and since these restrictions were imposed we have made many changes in them as announced. I have been accused from other quarters of wobbling back and forth, but as I said the other night, I have no desire to earn the reputation of being either a mule or a jellyfish. If some change is shown to be sound I will make it, but the general principle remains, and one cannot be continually carving out of the list this article or that until we are much more nearly out of the woods in regard to exchange.

Mr. JACKMAN: Perhaps the minister will later give an answer to this question which arises out of his remarks. Where a barrier has been imposed against soft currency countries has that barrier not made it difficult, if not impossible, for those soft currency countries to ship their goods into Canada? The reason I ask the question is this. We find that the retailer in Canadian towns and cities has not been able to purchase some British textiles because he could not pass on the cost expressed in sterling. If British textiles and other goods from soft currency countries have to leap over a tariff barrier, even though only a small preferential one, it may exclude much more than one and a quarter million dollars worth of goods which the minister mentioned as being on the prohibited list.

I support the amendment of my colleague the hon. member for York West in regard to the use of the word "emergency." I have just consulted the dictionary and I find that emergency is a sudden juncture demanding immediate action. This particular juncture has been growing for a long time. The minister informed us yesterday that his experts made very few mistakes, that they had been working on this list since last June or so.

Mr. ABBOTT: I said the middle of the summer.

Mr. JACKMAN: I can point out to the minister some glaring errors which have since been rectified, after all the midnight oil that was spent in preparing the list. The word "emergency" means a sudden juncture. I doubt whether that applies here. The word "temporary" is generally taken to be a word of not such acute significance. It means only "for a time". I do not think that word would be suitable either. The word "permanent" means "lasting", or "intended to last". Judging from what these controls are likely to bring about, I think they are more apt to be of a permanent nature. Therefore I have no hesitation in supporting most heartily the amendment of my colleague asking that the word "emergency" be deleted. Since we have not heard from the Minister of Finance or from any of his colleagues on the government side it may be that he is enthusiastic and willing to accept it.

Mr. ABBOTT: I said I was going to wait until everybody had expressed their opinion.

Mr. JACKMAN: I realize that. As I say, I do not think that "emergency" is the right word—

Mr. ABBOTT: I was not sure whether the hon. member for York West was serious or not in his amendment.

Mr. JACKMAN: I understand it is difficult to know whether the minister is serious or not. I heard the other day that officials in the department used to be very much concerned because the predecessor of the minister used to be worried about everything. Now they are very much concerned because the present incumbent of the office worries about nothing.

Mr. ABBOTT: Who can tell.

Mr. JACKMAN: Who can tell? I should like to point out, first, that there is nothing temporary about the condition in which we find our trade position. It has been a chronic situation with us for years and years vis-à-vis the United States. In the bill which the minister has brought down there is no time limit set at all. Should this house overlook the fact there is no time limit set we can be very thankful that there is another place, just as we found in the foreign exchange control bill. When our protestations were of

no avail, hon. gentlemen in the other place were able to enforce upon the government a certain time limit. I think the Minister of Finance, who at that time may have been a parliamentary assistant, said that they would not make any changes.

Mr. ABBOTT: I was Minister of National Defence at the time.

Mr. JACKMAN: But changes were made. I remember that in a corridor conversation he said that changes would not be made, but changes were made.

The second point I wish to make in regard to the use of the word "emergency" is that there is nothing curative in the present regulations in this bill. It is entirely as I have said twice in this house, very much like a patient who takes insulin, which keeps him alive from day to day but cures nothing. At least the minister should point out to the committee just how or where he expects our exchange position to be righted, and how he expects to look forward to having the condition remain righted and the controls removed at the same time. So far as one can see, these controls will be with us probably forever unless some adventitious event occurs and helps the government out of its predicament. The method of cure which many of us on this side of the house prefer is, of course, the more normal and natural one, the one which has worked in times gone by, namely, devaluation, perhaps step by step and within Bretton Woods, as I believe we shall be allowed to do. The question now is whether one wants the government to put on selective controls; whether the people want the government to prohibit this item or that or put it on the quota basis, or whether the people themselves, under the natural working of exchange, allow our dollar to go to the discount at which it is entitled to sell because of our prodigal buying. Do they want the government to tell them they may have this and that, or are we to continue under conditions as they have always operated in a free economy? There is not very much difference except as to who is to do the dictating, the individual or the government.

Are we to allow the normal method of economic law to work the situation out and to right it permanently and give it a permanent, self-righting cure? Is the government to decide whether we shall have $150 each to travel in the United States, or whether we can spend $10 for lettuce in the cold season? Personally I would much rather spend $10 for lettuce in place of being told by the government that I could have $150 to go to the United States. The people of Canada do not want to be told how they may spend $20 or $25. They want to be given a certain freedom.

One generation may have been raised without lettuce and fresh vegetables in the wintertime. Another generation may have different ideas. Surely people can spend their own money the way they want to spend it, and if the government makes so much United States exchange available per capita, let the individual spend it as he wishes.

Mr. HOWE: Appalling hardship.

Mr. JACKMAN: Quite a hardship.

Mr. HOWE: Yes.

Mr. JACKMAN: It is a hardship to a great many people in Canada. People want to be freed from this irritation.

Mr. ABBOTT: The amount of $2,800,000 worth of lettuce in the base period.

Mr. JACKMAN: Why should some fresh vegetables not be permitted to come into the country?

The ACTING CHAIRMAN (Mr. Bradette): I am in the hands of the committee, but I do not think all this discussion should take place on the short title. If the committee wants a general discussion of all items on the short title I shall be satisfied. Surely the committee wants to follow the rules if it hopes to make any progress in this important legislation. Unless we follow the rules we shall never make any progress.

Mr. JACKMAN: I am always very glad to bow to your ruling, Mr. Chairman, but the question is whether or not the word "emergency" is applicable in this particular bill or whether it is not. This is an extremely important bill. Nothing at all is said about a time limit except that it is to expire on the proclamation of the governor general. The whole embodiment of the bill has to do with an emergent matter, but the very substance of it indicates that it is to be of a permanent nature. I hope, sir, that you are keeping that in mind if you feel that you must rule against me. I consider that the present regulations are not getting us anywhere. The government was impressed with the holding of the dam during December when the outflow was not as great as formerly. It is very much like a person who has been laying in a great store during the summer months. As the minister well knows, all the importers bought as much as they could. They used all the bank credit they could and even endeavoured to raise loans from private

sources in order to buy United States products in the event that when the controls finally did come about, which were so well known to all these importers, they would then simply coast along for a while and give the minister's exchange account the appearance of having been temporarily righted, perhaps without too great hardship to the people.

I should like the minister to tell us just what there is in the nature of his orders today which will effect a permanent cure. What is there that is not exactly in the nature of a drug which keeps one alive from day to day? Where is the curative nature in these regulations? When may we look forward to their removal? That is where the emergency nature comes in. How are we ever to have them removed? I cannot see it myself, and I think the committee is entitled to some enlightenment. What is the effect of the devaluation in Italy and latterly in France on the government's position?

Mr. ABBOTT: This should not be discussed on section 1 of the bill. I rise to a point of order. I have discussed the question of devaluation *ad nauseam*. I discussed it when we were on second reading of the bill. I have made three or four speeches on it. The announcement of the government's policy was with respect to the constructive side of this program. This bill admittedly deals with part of the restrictive measures, and we are on section 1, the short title. There must be some limit to the freedom of discussion which we can have on this section of the bill.

Mr. JACKMAN: Mr. Chairman, on the point of order, the question is, are these restrictions of an emergency nature, or are they of a permanent nature? There can be no question in my mind that they are of a permanent nature. We shall never get a cure so long as the government follows the policies it has followed up to now.

Mr. ABBOTT: That is your opinion.

Mr. JACKMAN: Unfortunately in these very words are expressed the whole gist of the bill.

The ACTING CHAIRMAN (Mr. Bradette): Is the hon. member speaking to the point of order raised by the minister?

Mr. JACKMAN: I am explaining.

The ACTING CHAIRMAN (Mr. Bradette): Does any other hon. member wish to speak on the point of order? The minister is perfectly right. Surely, the discussion has been going far afield. I do not think it is the intention of the committee to have it carried on indefinitely.

[Mr. Jackman.]

Mr. JACKMAN: Mr. Chairman, if you are going to rule against me I am forced to obey your ruling. The question is whether or not the matters outlined in the bill and the acts which are done under it are emergent, or whether they are not. I am claiming that there are a great many points which illustrate that, and I hope that members on the government side will pay some heed to the arguments I am putting forward. As a matter of fact, as far as I gathered, I have had good attention. I asked the minister a question which, I grant, was far afield. It was whether he had changed his mind since the devaluation of the franc. That was merely a theoretical question on which it may not be necessary to take up the time of the house, but there are a number of points which, I think, are germane to the question of whether or not the word "emergency" should remain in the title of the bill. With your permission, Mr. Chairman, I will continue.

What I should like to know is this. If these regulations are entirely of a temporary or emergent nature, as I assume the minister will suggest, how are we to re-establish our credit in the United States? It would seem at the present time that we cannot borrow there except from a government agency, the export-import bank. If we are to go to private sources there, as we ordinarily do as a self-respecting country, what is there to be of a permanent nature on which bankers can rely so that they can see that, if we borrow in United States exchange, we shall be in a position to make repayment? As long as these regulations do not cure but merely keep alive, I do not feel that we are likely to re-establish our credit. The minister should point out to us what there is of a curative nature here which will, over the long term, keep the Canadian dollar in balance at some appropriate level.

Mr. ABBOTT: The only cure will be to export more and import less.

Mr. JACKMAN: There are various ways of doing that. The government may select one method and the people may prefer another. What I should like to ask the minister in regard to this "temporary" or "emergency" nature is this. What is to be the position of our country should we re-establish triangular trade as we had it before, and for the re-establishment of which we are now advancing hundreds of millions of dollars of credit? Again, we are the natural breadbasket for Great Britain and certain parts of Europe. What is to be the position of the Canadian dollar, first, vis-à-vis sterling and, second, vis-à-vis the United States dollar? In times gone by, when we were not on the gold

standard, when you could not exchange all currencies at parity, we occupied a midway position. Today we find our dollar on a level with the United States dollar and sterling at a substantial discount. Should we be successful in restoring the triangular trade basis on which we functioned for so long in the past, when are we to readjust our currency so that we can get back to that normal position? Or would the minister be good enough to say that that is a condition which we should no longer have to look forward to, that our dollar can remain high? I am getting back again to whether this is a permanent cure or merely a temporary expedient. Would the minister at the same time explain to the committee why it was that our dollar sold at a discount in relation to the United States dollar at various times in our economic history, when our costs of manufacturing were not higher than United States costs; which situation, I understand from his previous expostulations, was the only reason why a country should ever consider devaluation of its currency. Perhaps the minister can give us some help.

Mr. HOWE: Why not buy a good book on it?

Mr. JACKMAN: Not the kind the Minister of Trade and Commerce read the other day. In fact, he was not reading any book at all. He was making up his own theory. In order not to burden the committee further, I would ask the minister to point out whether there is, in his opinion, anything of a curative nature in these present restrictions or whether they are merely a stopgap to keep us going from day to day.

Mr. ABBOTT: To answer the last question —and I will not take the time of the committee to answer some of the others because they are theoretical—I have said time and time again that this particular measure is not a curative measure; it is a restrictive one; and that in the final analysis our situation will not be permanently cured until we can get paid in convertible currency in cash for what we export, in order to pay our bills in the United States. Because of the position we are in at the moment we must take restrictive action, and we shall have to continue that restrictive action until the constructive measures to which I have referred time and time again in other speeches have had time to work out.

Mr. JACKMAN: What ones?

Mr. ABBOTT: On the question of what we shall do in our pattern of triangular trade and what will happen in the future, I would say that we have a pattern of triangular trade now. If my hon. friend asks what we shall do when sterling again becomes convertible—and that, after all, is the test—that is a different question. We are selling substantial quantities now for a currency which is not convertible into United States dollars—perhaps his opinion on that is as good as mine. I do not know.

Mr. SMITH (Calgary West): I have a short question to ask. I wonder if I interpret the minister's last remarks correctly by this illustration. It seems to me that he has told us that we are drowning in ten feet of water, but through this excellent government bill we are now going to drown in only eight feet of water. That seems to be about the situation.

Mr. ABBOTT: My hon. friend, in his usual graphic way, has given an illustration; but I suggest that we are not drowning at all, that we are taking appropriate action to protect our position and taking it in time, and that effective action is getting results.

Mr. KNOWLES: You set up a committee to find out where the water came from.

Mr. ROSS (St. Paul's): I was interested in the minister's statement when he said that we are to use this method only to a point; that it was not a curative measure; that we are to use it until such time as the curative measures we have put into force will take care of the situation. I have never heard of any curative measure which will do that. I wonder whether it is the Marshall plan which he is hoping will afford some assistance? How long does he think it will take those countries in Europe to rehabilitate themselves? I suggest that the minister has not yet told us one of the things we can do in this country, as a curative measure, namely, selling our natural products in the United States in return for the things which we shall get from them; sell our cattle in the United States—

Mr. ABBOTT: And take them from the United Kingdom.

Mr. ROSS (St. Paul's): And I suggest the reason they have not done it—

The ACTING CHAIRMAN (Mr. Bradette): Order.

Mr. ROSS (St. Paul's): The Minister of Reconstruction at the present time has great hopes, as a matter of fact, of sending some of the goods which we are to manufacture bits and pieces over to the United States. I say that you might as well send coals to Newcastle as send those goods from this country. I suggest that the cabinet have taken a

most unrealistic view of this whole matter. I think they are afraid to face the issue as it ought to be faced right now. We have these conditions and, as my hon. friend says, they have not done anything for us. We are going to drown anyway, whether it is in ten feet of water or in eight feet.

Mr. ABBOTT: Mr. Chairman—

Mr. ROSS (St. Paul's): I am going on for just a minute or two yet.

Mr. ABBOTT: All right, go on. I thought my hon. friend was through.

Mr. ROSS (St. Paul's): I say that the government have not taken a realistic view of the matter. If you want to do that, what have you to do? You must stop imports into Canada. Another thing you must do is do it over the whole population, not over just a few people. Why should one firm or one individual be singled out, crucified and put out of business? Why should all the people not bear the burden?

Mr. ABBOTT: Certainly; put them all out of business.

Mr. ROSS (St. Paul's): Why should the wheat producers take the price they are asked to take? Why should the burden not be spread over the whole population? That is what I am objecting to. Why not have sense and brains and devalue the dollar? Why stick to a prejudice? That is the point. I want now to quote one paragragh:

> In the meantime the whole economy of Canada is being put through the strains of severe regulation for a possibly unrealistic objective.

This is from the Montreal *Gazette,* which was discussing reviews made by two publications, one from the sterling area and one from the dollar area, *The Economist* and the *United States News.* These fellows who analyse these situations and write these articles are not fools. They have brains. They are on different sides of the water; they both have statistical branches, and so on, as well as economists of no mean skill. Yet our government here, with the help of their advisers, set themselves up to do a certain thing when everyone in the rest of the world says they are crazy to do it. Let me repeat this paragraph:

> In the meantime the whole economy of Canada is being put through hte strains of severe regulation for a possibly unrealstic objective. The *United States News* would certainly seem to agree with the statement of *The Economist* that the Canadian cabinet ministers who say that "they hope to start taking controls off in a matter of months . . . show no willingness, let alone any desire, to face the future frankly."

[Mr. Ross (St. Paul's).]

That is so; and in addition they have not told us yet when they hope to take off those controls. The people of Canada are going to be kept in suspense for a long time. My guess is that it will not be a matter of ten or eleven months, as the minister says, but that it will be a matter of years. Once we get these things on, we shall never get them off until we get the government out.

Mr. ABBOTT: I have only one comment to offer on the speech just made by the hon. member for St. Paul's. That is, it is the last of a long series of defeatist speeches from hon. gentlemen sitting opposite. I am not interested in defeatist speeches.

Mr. JACKMAN: What do you mean, "defeatist"?

Mr. ABBOTT: Saying the country cannot get out of its exchange difficulty; that it is in a condition that will last for years; that the only cure is devaluation, and that these methods will not work. I make the assertion that they will work. If hon. gentlemen opposite think they are helping the cause by standing up and saying these methods cannot work, that is their privilege.

Mr. ROSS (St. Paul's): The minister says these things will partly work; that is really what he has told us. He believes these will be a help. I want the minister to rise in his place and let us in this House of Commons know what steps the government intend to take to see that our exchange situation becomes normal. He cannot depend on getting sufficient convertible currency from Great Britain for years; he knows that as well as I do. We have to do something for the people of Great Britain and the countries of Europe. We have to do that; everyone knows it. What is the use of calling these loans? They are not loans. We have to help these people for our own satisfaction. If the minister can tell me what steps the government propose to take, it will be the first time he has told this House of Commons.

Mr. ABBOTT: In order to save the time of the committee, I will send my hon. friend copies of several speeches I have made in the last couple of months. All the answers are there.

Mr. MacNICOL: I should not like the impression of the hon. member for Swift Current, in what he said with respect to my remarks, to go unchallenged. I am sure the hon. member did not mean what I thought he meant in trying to suggest that I was not

just as much interested in the small businessman as in the big businessman. I have been in business all my life, and businessmen and employment are my interest. I want to repeat what I said before, that I hope the two departments who have to handle this problem, which is a big problem, will try to work out some method whereby businessmen, large or small—it makes no difference to me, as long as they are employing labour—who find it necessary to ask for an explanation in regard to any regulations, will not always find it necessary to come to Ottawa. When I was speaking a few moments ago I had in mind two men, both large employers of labour. One has 670 men in his plant; the other has about 500. Both these men found it necessary to come to Ottawa, where they remained for about two days. They were treated very well by the departmental officials. From what they told me I am glad to learn that we have officials like those who discussed the problems of those two men, because both those gentlemen went back happy and satisfied, with their troubles eliminated.

What I had in mind was some method whereby such people could write to Ottawa, whether they were big businessmen or small, and have the department here unravel their difficulties without its being necessary for them to come here in person. I know what big businessmen have to do. A man with 670 employees believes it is his duty to be on the job every minute possible. It is no easy task to manage a company employing that many men, and to look after the products they produce. That is what I had in mind. I want both departments to make it as easy as they can for those who are seeing that the wheels of industry turn. I do not want the hon. member for Swift Current to get the impression I am not just as much interested in the small businessman as he is, or anyone else. That is not what I was trying to point out. I was talking for employers of labour, and I shall never cease talking for men who give other men employment.

Mr. ABBOTT: I appreciate what my hon. friend has said about the departmental officials. The section which has been set up to handle this particular phase of the program has been under very heavy pressure since November, but I believe they have tried to meet the inquiries of the public as well as possible. It is not only possible but desirable that requests should be handled by correspondence. I am told we are now getting about 350 letters a day, dealing with matters most of which can be disposed of without the applicant coming to Ottawa. In cases where that is not possible they are asked to come here, but even so it is advantageous to have such matters submitted in writing first, because then the matter can be looked into and the ground prepared.

Mr. ROSS (St. Paul's): I did not hear the minister a few moments ago when he interrupted me to say, "and take it away from the poor Britons". Well, I submit that the only reason the poor Britons are taking our cattle and dairy products to such an extent is that these contracts were shoved down the throats of the Britons and they had to accept them on that basis in order to get wheat.

Mr. ABBOTT: That is not the case. If the hon. gentleman had been in Britain as I have been, within the last three or four months, he would realize that they are glad to get our bacon and beef and cheese.

Mr. HAZEN: I should like to ask the minister if he or his officials have made any investigation to ascertain whether United States funds can be saved by using Canadian National railway lines wholly within Canada rather than subsidiaries in the United States. I ask that question because last year in the railway committee I asked Mr. Vaughan, president of the Canadian National Railways, what the operating expenses of the Canadian National were on the line that runs from a point near Island Pond, Vermont, to Portland, Maine, and he told me the expenses amounted to $2,674,000. This year I put on the order paper a question asking if that amount was paid in United States funds. I was informed that of that amount, $2,348,482 was paid in United States funds. I am not in a position to say—and this may be looked into further—how much of the gross earnings was paid in United States funds. However, I believe that if the minister looks into the matter carefully he will find that a great proportion of the amount spent on that subsidiary of the Canadian National Railways running to Portland was paid in Canadian funds, while the operating expenses were paid in United States funds.

A dispatch from Ottawa appearing in the *Telegraph-Journal* on November 28 last states:

> The action of the Canadian National Railways in lowering export freight rates to Portland, Me., is in direct conflict with Canada's austerity program, it was admitted here today by officials of the foreign exchange control board. The belt-tightening program is to conserve United States dollars. The C.N.R.'s action will mean a depletion of this country's holdings of American dollars.

"The loss in United States dollars in the running charges from the border to Portland, where the rail transportation cost is paid in Canada, may be considerable," officials state, "The extent of the loss will depend on how much freight is diverted to Portland."

I do not wish to read further from this press report, but I would suggest that if the minister has not examined into the possibilities of saving United States dollars by having the trade of our country go through Canadian rather than United States ports, and particularly the port of Portland, the matter might well be looked into by him.

Mr. ABBOTT: I shall take note of my hon. friend's remarks and look into the matter.

Mr. QUELCH: Before eleven o'clock last Tuesday night, when discussing this bill I brought up the question of prohibitions against soft currency countries, and the minister gave a reply, but it was then too late to discuss the matter further. A few minutes ago the minister made further reference to this matter.

The minister has emphasized the point that the amount of business lost through prohibition against soft currency countries is negligible. I think he would agree that, while the amount of business might be negligible today, it might be greatly increased in the not too distant future. I receive publications from England, and I know that the production of the very things we are prohibiting today is being increased; that is, the amount of their production is being increased today and will continue to be increased considerably in the future. So that the amount of business might be increased considerably in a few months' time.

The other point the minister made was that the government stands solidly behind the principle of non-discrimination. The policy of non-discrimination is merely one principle contained in one article of the general Geneva agreements. I think the minister agrees that the important point is not so much that we do not violate one principle of the general agreement, but that we shall not violate the general agreement in its entirety.

That being so, I suggest that the minister will have to agree that if at any time we place against any one nation a prohibition that we are not called upon to place, under the general agreement, then in fact we are discriminating against that nation. It is all very well to give lip service to the idea of non-discrimination; but when you apply against a nation a prohibition that you are not called upon to apply, under the general agreements, then you are definitely discriminating against that nation.

[Mr. Hazen.]

The degree is not important; that is, it is not important as to whether it is a great deal of business or a small amount of business. That, as I say, is not important; it is a question of principle. And to substantiate my argument, let me quote from the Geneva trade agreement, article XIII of which creates the principle of non-discrimination. But article XIII is definitely modified by article XIV. You cannot take one article out of this agreement, and say that is the principle of it. You have to take the other articles which modify or are related to article XIII.

Article XIV gives the exceptions to the principle of non-discrimination in several ways. Let me refer particularly to subsection 1 (b). Perhaps I should refer to the whole of section 1, which bears the heading, "Exceptions to the rule of non-discrimination". It states:

1. (a) The contracting parties recognize that when a substantial and widespread disequilibrium prevails in international trade and payments a contracting party applying restrictions under article XII may be able to increase its imports from certain sources without unduly depleting its monetary reserves—

And this is the important part:

—if permitted to depart from the provision of article XIII. The contracting parties also recognize the need for close limitation of such departures so as not to handicap achievement of multilateral international trade.

(b) Accordingly, when a substantial and widespread disequilibrium prevails in international trade and payments —

And I interject that certainly that is the situation today.

—a contracting party applying import restrictions under article XII may relax such restrictions in a manner which departs from the provisions of article XIII to the extent necessary to obtain additional imports above the maximum total of imports which it could afford in the light of the requirements of paragraph 2 of article XII if its restrictions were fully consistent with the provisions of article XIII, provided that

(i) levels of delivered prices for products so imported are not established substantially higher than those ruling for comparable goods regularly available from other contracting parties.

I shall stop there. Perhaps the minister may be able to argue under that section that the price level of goods we would be importing from Great Britain would be higher than the price level of goods from elsewhere. But I am not so certain he can substantiate that charge. I have seen quotations showing prices of articles we can import from Great Britain, and they compare favourably with prices of similar goods we can import from the United States today. But if the minister is to make

that argument, namely, that we cannot import articles from Great Britain without a violation of article XIII, because the price level of goods is higher, then let me refer him to subsection (6) of article XIV which states:

> The provisions of article XIII shall not enter into force in respect of import restrictions applied by any contracting party pursuant to article XII in order to safeguard its external financial position and balance of payments, and the provisions of paragraph 1 of article XI and XIII shall not enter into force in respect of export restrictions applied by any contracting party for the same reason, until January 1, 1949.

I say when you take those two sections of article XIV you find they definitely modify article XIII which laid down the principle of non-discrimination. Therefore I charge that when you apply against a nation certain provisions which, under the agreement, you are not compelled to apply, you have discriminated against that nation. While the minister may like to give lip service to the principle of non-discrimination, I charge that today this government is unduly discriminating against the United Kingdom.

Another point is that the minister suggested that the benefit we would derive from this policy is far greater than the benefit we would derive from allowing these goods into the country.

Mr. ABBOTT: I said the benefits the United Kingdom would derive.

Mr. QUELCH: I think that is perhaps a matter of opinion. If the minister could argue that the amount of production of these articles which today is prohibited could not be increased, that might be true. But in view of the fact that Great Britain today is greatly increasing the production of those very things, it might tell a different story. I again emphasize this fact, that if we along with the United States, as two great producing nations, try to force upon less fortunate nations agreements which are not to their benefit, we may find that we are building up a position which may very well cause international friction and create war. That will certainly not be to our benefit in the future.

Mr. ABBOTT: I listened attentively to my hon. friend, and I do not think there is anything I can add on this matter of non-discrimination which I have not said already either in the course of the committee discussion on this bill or at other stages.

I have only one other observation to make in connection with what he has said. So far as I am aware, I have not posed any argument in connection with these matters of price levels in Great Britain or in any other country.

Mr. QUELCH: If you have not posed your argument in connection with non-discrimination in price levels in Great Britain, how can you say that in order to adhere to the Geneva trade pact you have to apply prohibitions against Great Britain? I contend that you are just basing your argument on one principle and ignoring the fact that it is made final by article XIV.

Mr. ABBOTT: I have not necessarily tied up the Geneva pact with that principle. I have reiterated time and again that Canada believes the non-discrimination principle is in its vital interest. Whether there is an escape clause in the Geneva agreement which would permit us to violate that principle for a twelve months' period is, in my judgment, not particularly relevant.

Mr. STEPHENSON: The object of this bill is to conserve United States currency and the method being used to do this is to restrict imports from the United States. Naturally this will create shortages of many things in Canada. Is it not reasonable that, in order that we be not deprived of those things, our manufacturers, processors and growers should be given some guidance by the government? Is it not possible for the government to say to these people, "This restricted program is going to be in force for two months, for six months, for two years or for ten years"? Surely the government has some policy under which it can say to our growers and manufacturers that this will be in effect, say for at least a year? Does the government still say that it has nothing to give to the people of this country in the way of guidance as to what they should do?

Mr. ABBOTT: The difficulty with these committee discussions is that hon. members pop in and out of the chamber. I answered that question on Tuesday evening and again this afternoon.

Mr. STEPHENSON: The answer is that there is no guidance to be given to the people of Canada?

Mr. ABBOTT: I have repeatedly made my position and that of the government quite clear. These restrictions are considered as being necessarily temporary in nature; they are not protectionist. Unfortunately the people must exercise their own judgment as to how long it is likely to take.

Mr. STEPHENSON: It simply creates confusion. The government has no policy; that is just what has happened.

Mr. ADAMSON: Before the debate on this amendment is closed I should like to reply to a statement made by the hon. member for Winnipeg North Centre. The reason just given by the hon. member for Durham is the reason why I moved to delete the word "emergency." It would be of advantage to the Canadian people to know when this provision would likely be terminated. The minister stated that we shall be expected to export more and import less.

Mr. ABBOTT: Or both.

Mr. ADAMSON: Or get our dollars into convertible currency, into cash or into sterling convertibility. In my opinion, those are long-term hopes. I was going to use the word "chronic" in connection with our exchange conservation measures. I looked up the meaning of the word and I find it means "lingering," "lasting" and "inveterate." I would say that our exchange position with regard to hard currency is lingering, lasting and inveterate at the present time.

Mr. ABBOTT: I am a bit more optimistic than the hon. member.

Mr. ADAMSON: The minister is more optimistic. Those are the hard facts, and they are world-wide. When we come to section 14, I intend to move another amendment setting a terminating date.

Mr. GREEN: It is quite evident that a great deal of discretion will be exercised under the provisions of this bill by departmental officials here in Ottawa, officials of the Department of Finance and the Department of Trade and Commerce. There is a reasonable possibility of businessmen in Ontario and Quebec being able to come to Ottawa to state their cases before these officials, but it will be extremely difficult for the businessman, particularly the small businessman carrying on business in the west or in the maritimes.

Is there not some way in which discretion could be exercised by officials in more distant parts of the country? For example, there is a collector of customs in Vancouver, a senior official of the government. My understanding is that that collector has absolutely no discretion in connection with the administration of this austerity program. Would it not be possible to delegate some authority, so that a man in business in a small way in Vancouver could go to that collector of customs to tell his story and then find out whether special consideration would be given to his case? It should not be so difficult to work out a remedy.

Mr. ABBOTT: I am very conscious and the officers administering these new restrictions are very conscious of the difficulties faced by businessmen in the far west and the far east. There are not so many discretions exercised under the prohibitions under schedule I and the quotas under schedule II as there are under schedule III with respect to the import of capital goods under the permit system. The whole thing is under constant study, and I shall give careful consideration to the point raised by the hon. member for Vancouver South to see whether there is any possibility of delegating some authority to customs collectors or others at distant points.

Mr. HOWE: There will be an officer with authority to grant import permits in each of the large centres across Canada. The Department of Trade and Commerce have officers who now have authority to grant export permits and it is intended that the same officers will be empowered to grant import permits.

Mr. GREEN: That would be under schedule III?

Mr. HOWE: That is the schedule where the permits would be required.

Mr. GREEN: That will help a great deal, but the main difficulty is under schedule I which covers the power to deal with hardship cases. Practically all the cases that have been submitted to me come under schedules I and II and it was those cases I had in mind.

If a man in a distant city or town could walk in and tell a collector of customs or some responsible government official his story the possibility is that he would get consideration which he could not get by writing a letter. I have three or four cases of that type on my file, and I am confident that if Mr. Taylor or one of his senior officials were in Vancouver and could interview these men, permits would be granted under the hardship clause, if not under some other provision. At the present time it is practically impossible to get consideration of that kind. I am glad to hear the Minister of Trade and Commerce say that he is providing for the granting of power to his officials in connection with schedule III. I do ask that power be given to deal with applications also under schedules I and II.

Mr. ABBOTT: These hardship cases are very special cases, exceptions to the general rule. The provision is that they must be cases

of particular hardship. I think it is fair to say that the great majority of those cases will already have been disposed of. Under the orders that exist now and under the statute as proposed that discretion must be exercised by myself. In practice, the way it is handled is this. The facts are submitted to a special committee, headed by Mr. Taylor. The facts are first taken by an official, either by correspondence or otherwise; then considered by this committee which has been set up by me, and that committee makes recommendations. In most cases I have accepted their recommendations where particular hardship has been shown. If there are circumstances which are very unusual they will sometimes discuss them with me first before consideration by the committee. I think it would be quite possible to have men collect the relevant facts, say in Vancouver, and send them here by wire or air mail for consideration by the committee, and by myself, if necessary. But I am afraid that in the very nature of things the discretion is one which has to be exercised here. I would find it difficult to delegate a general power to make these exceptions.

Mr. GREEN: There are several officials on that committee?

Mr. ABBOTT: About four.

Mr. GREEN: What objection would there be to having some members of that committee go to the Pacific coast within the next few days and hear applications there? You would still have the same people making the decision, and you would get around the present difficulty that the small businessman has not a chance to present his case.

Mr. ABBOTT: Businessmen never appear before that committee. Their representations are made to an individual. The committee consists of the assistant deputy minister of finance, Mr. Taylor; Mr. Donald Gordon, representing the foreign exchange control board; Mr. Mackenzie, deputy minister of trade and commerce; Mr. David Sim, deputy minister of customs, and Mr. Taggart of the Department of Agriculture. That is the committee which considers these hardship cases and makes recommendations to me. As my hon. friend will appreciate, it is a very high-level committee, consisting of senior officials. The facts are collected by subordinate officials but they are passed on by this committee. We shall do our best to see that facilities are available at other points to enable those who have cases to submit to get the facts before local officials, but I am afraid the facts will have to be passed upon in the way I have outlined.

Mr. GREEN: There is a wide difference of approach between the two ministers. The Minister of Trade and Commerce said—

Mr. ABBOTT: The conditions are entirely different.

Mr. GREEN: There is no difference at all. The Minister of Trade and Commerce has dealt with his part of the problem by giving authority to men in the different centres to make a decision, and I think he is quite right in doing so. That may be because he has been out to the west coast a great deal more than the Minister of Finance.

Mr. ABBOTT: That is not fair.

Mr. GREEN: I do not want to be unfair.

Mr. ABBOTT: That has nothing to do with it at all.

Mr. GREEN: It is a fact that the Minister of Trade and Commerce is providing for discretion to be exercised in the local centres, and, I repeat, there is no reason why the Department of Finance could not likewise give discretion to representatives in the local community.

Mr. ABBOTT: The Minister of Trade and Commerce will supplement what I have to say. The circumstances are completely different. I have to act as judge whether or not there is a case of particular hardship. The Minister of Trade and Commerce has to decide whether it is proper to issue a permit, say for a printing press to come into Canada, or structural steel, or some other goods. The circumstances are completely different. They are not analogous at all. The Minister of Trade and Commerce can elaborate on that.

Mr. HOWE: In schedule I a prohibition is applied. In schedule II quotas are applied. Neither of these calls for the issuance of a permit. There may be cases of hardship which deserve consideration, but such cases are an exception. In schedule III everything that is admitted requires a permit. Therefore permits are the ordinary routine in schedule III, but not in schedules I and II. Where permits are required, we naturally have the facilities for issuing permits as well located as possible for the convenience of the public. We will have rules laid down governing the issuance of permits, and within those rules the local offices will deal with applications. But if there is a borderline case it will be referred to Ottawa for decision.

Mr. GREEN: May I point out that the quotas are of the same nature.

Mr. HOWE: Not at all.

Mr. GREEN: A quota has to be established for each business. Each business is entitled to a certain quota.

Mr. ABBOTT: It is based on a mathematical formula. There is no discretion.

Mr. HOWE: No permit is required.

Mr. GREEN: A quota has to be set up.

Mr. ABBOTT: The hardship clause has nothing to do with quotas.

Mr. GREEN: I know that. I am pointing out that under schedule II a quota has to be set up for each business.

Mr. ABBOTT: On a mathematical formula. There is no discretion. .

Mr. GREEN: Representations are made by the businessmen concerned. They are making representations now to the committee here in Ottawa. Discretion with regard to these quotas should certainly be given to officials in the local centres, and I can see no reason why hardship cases should not also be dealt with by men in the different centres.

Mr. MACDONNELL (Muskoka-Ontario): Unless I misunderstood the two ministers, this clause seems to be not quite in accordance with what they said. Section 3 (1) says:

No person shall import or attempt to import into Canada any goods—

Mr. ABBOTT: Had we not better wait until we come to that?

Mr. MACDONNELL (Muskoka-Ontario): No, because this seems to say that permits are required under schedules I, II and III.

Mr. ABBOTT: If my hon. friend will read further he will see that they are granted by way of quota. In the case of goods under schedule II, that is determined on a mathematical formula and the minister has no discretion. The permit is automatic. Under schedule III there is a discretionary issue of permits for a particular piece of goods.

Mr. GREEN: If the quota permit is automatic, could the local men not issue it without referring the case to Ottawa?

Mr. ABBOTT: Yes, up to five per cent. The quota is based on the imports of a particular importer in the base period.

Mr. GREEN: The local people are not given an over-all power to issue quotas under schedule II. They may be able to issue quotas for a very small amount, but I understand that they do not make all the decisions on quotas. Is that not right? They may have power to allocate a small percentage of the quota, but the decision that really counts is not made by the local men at all, but in Ottawa.

Mr. ABBOTT: It is not a decision because it is determined on the record of performance. What happens is this. The local collector of customs is entitled to give a man five per cent of his quota. The full quota to which he is entitled is determined by examining the customs records here at Ottawa, and Ottawa only; they have to be checked here. The discretionary five per cent is to enable the importer to carry on until such time as the customs records can be checked in order to determine on the mathematical formula what his full quota shall be. That is the method. Disputes may arise over questions of fact in connection with these quotas. I do not know what the practice is. I think the collector of customs would get the facts and it would have to be settled.

Mr. GREEN: At the present time I think everything of that type has to be channeled through Ottawa, and that is one of the things I am complaining about. There should be discretion out in the centres to make these decisions.

Mr. ABBOTT: I am informed that the changes are ordered and issued here and here only of necessity because the records are here, except the five per cent to which I have referred. The quota difficulty will again be ironed out very soon, because the records are being checked and additional staff has been taken on. The great majority of the quota question disputes is as to the facts, and so on, and I think they have already been cleared up.

Mr. GREEN: Then I suggest that the minister go one step further and iron out the hardship cases and make a provision for them to be decided out in the communities, unless there is a very rare issue to be settled.

Mr. ABBOTT: I shall do the best I can. It is a judicial function, and it is very hard to delegate that.

Mr. MACDONNELL (Muskoka-Ontario): I am sure the Minister of Finance did not intend the remark he made to prompt me to make a few further remarks, but it has. He said a few moments ago that these measures were not protectionist. I should like to read a short statement to the committee indicating that his view is not unanimously held.

Mr. ABBOTT: I said the other day they were highly protectionist. Of course they are protectionist, but not intended for protection.

Mr. MACDONNELL (Muskoka-Ontario): The minister had a different view a few moments ago.

Mr. ABBOTT: No.

Mr. MACDONNELL (Muskoka-Ontario): This is from the Winnipeg *Free Press* of January 5 last. I thought this short statement would be of interest:

As a part of the dollar shortage program, the dominion government last November 17, placed a large part of our imports from the United States under prohibition, quotas or suspended sentence with Mr. Howe as the judge and jury with power to cut them off if, as and when he pleases. The restrictions apply to scores of articles—stoves, radios, refrigerators, automobiles, furniture, cooking and heating equipment, machinery, all capital goods and so on. These goods are made in Canada by manufacturers who have always received tariff protection. But despite the disavowal of the government and the imposition of excise taxes on home production, the restrictions amount to the greatest dose of protection administered to this country since confederation. Compared with what happened last November, the Bennetts and the Meighens with their "no truck or trade with the Yankees," the "brick for brick tariff," "Canada First," tariff blasting and so on, were pikers.

I just thought the minister would be interested in that.

Mr. ABBOTT: We could repeat this sort of thing forever. This has been discussed time and again. I said the other night that of course this was highly protectionist; it could not be anything else.

Mr. MACDONNELL (Muskoka-Ontario): I was surprised to hear what the minister said this afternoon.

Mr. ABBOTT: Of course what I meant to say was that this was not introduced with the intention that it should be a protectionist measure, and I am sure my hon. friend realized that was what I was saying. It is not necessary to read a long excerpt from the Winnipeg *Free Press* to prove that.

Mr. MACDONNELL (Muskoka-Ontario): I thought the minister would be very much interested in the excerpt.

Mr. ABBOTT: I read it.

Amendment (Mr. Adamson) negatived.

Mr. ABBOTT: Perhaps I have just time before six o'clock to answer the question asked by the hon. member for Muskoka-Ontario. I really intended to do this before. A somewhat similar question was asked by the hon. member for York West.

On Tuesday last the hon. member for Muskoka-Ontario raised a question about the movement of gold into Canada. Specifically, he asked:

. . . whether there were any unusual transactions, any windfalls, in the gold situation, whether any gold came in from some unexpected sources outside of the North American continent.

A little later on the same day, the hon. member for York West, referring to the statement I had given in regard to our holdings of reserves, said that I—

. . . did not bring out the difference between gold and hard currency, and United States dollars. We do not know how much British gold and gold from other sources was shipped in and earmarked. We have just a general over-all figure of the gold and hard currency held.

I am not quite clear just what the hon. gentleman may have had in mind. However, I can say that there were no windfalls in the gold situation, no special shipments of gold into Canada from unexpected sources outside of the North American continent or, indeed, elsewhere, no imports of British or other gold for earmarking which affected our reserves, et cetera.

For the information of hon. members, I shall now break down the figures for our reserve position as of the four or five recent dates which I have already given to the house, showing our holdings of gold separately from our holdings of United States dollars. The figures are as follows:

	Total Official Reserves millions	Gold millions	U.S. Dollars millions
November 13, 1947	506·7	347·6	159·1
November 30, 1947	480·2	302·4	177·8
December 17, 1947	460·9	281·4	179·5
December 31, 1947	501·7	286·6	215·1
January 29, 1948	513·9	296·0	217·9

During the period in question, the only special gold transactions which took place—and by "special" I mean transactions other than purchases of our newly mined gold when refined by the mint—consisted of purchases of gold from a foreign central bank for payment in United States dollars, and this gold was almost immediately sold to the federal reserve bank for United States dollars. Hon. members will note that this transaction did not affect our total reserve position but merely changed for a short time the relative holdings of gold and United States dollars in that total position.

With regard to the reference to earmarking made by the hon. member for York West, may I say that any amounts of gold held in Canada by foreign or central banks under

earmark do not enter into Canada's exchange position at all, because they are not the property of the Canadian government or the Bank of Canada. Any changes which may have taken place in such earmarked gold, have, of course, no relation to the question of Canada's foreign exchange holdings.

Mr. MACDONNELL (Muskoka-Ontario): May I ask a question? Will the minister give the figure showing the other holdings of the foreign exchange control board, other than gold and United States dollars.

Mr. ABBOTT: I am informed that my hon. friend has a similar question on the order paper and the answer to that is being prepared.

Section 1 agreed to.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

On section 2—Definition—"permit".

Mr. MACDONNELL (Muskoka-Ontario): Section 2 in a sense takes us to the heart of the bill, and I should like to ask the minister to give us an explanation in some detail as to the way these permits are working. The matter came up briefly just before the dinner recess. The minister referred to these permits in a general way. The difference between schedule I, schedule II and schedule III has been pointed out, and also the fact that the permit in schedule I and schedule II is somewhat different from that in schedule III. The minister referred to the fact that changes had been made in schedule I. He says that, "after consideration of the various circumstances, it has been found desirable and proper to transfer items from the prohibition schedule to the quota schedule". He referred to the fact that under section IV he has given certain dispensations. Will the minister say in detail, if it will not run us into too much trouble, as to the permits which have been given? In other words, I want to know the distress conditions which have arisen for which permits have been given. The minister may feel that he should not give the names of the persons involved, but I see no reason why we should not have the other details; and I think it would be of interest for the committee to have them.

Mr. ABBOTT: I think I can probably comply with that request, which is a perfectly fair one. First I should like to make a few general observations. With respect to goods in schedule I there is no question of a permit except where there are circumstances of particular hardship under section 4. With respect to goods in schedule II the permit takes, of course, the form of a quota which is given to the importer in accordance with the mathematical formula that was discussed this afternoon. Up to the present time, in connection with the prohibitions set forth in schedule I, a total of 5,226 special permits have been issued under the particular hardship clause. That includes such things as the mass importation of tomatoes from the Bahamas, with which I think the committee is familiar. Representations were made that these tomatoes had been grown and that there was no alternative market.

Mr. DIEFENBAKER: How many applications were made?

Mr. ABBOTT: There were also lumber and certain veneer items. Broken down between different countries there have been a total of 4,558 from the United States and 53 from the other schedule countries—that is to say, from dollar countries—or a total of 4,611. There have been 446 from the United Kingdom, and 169 from other non-schedule countries, making a total of 5,226 which I indicated a moment ago. The total value or total cost of those special permits—and these figures are as at February 7—amounted to $7,228,147. I have them broken down here into a long list of various commodities or items, but perhaps the committee does not wish me at this time to go into that detail. They can be made available if it is desired.

Mr. MACDONNELL (Muskoka-Ontario): Would the minister think it well to put them on *Hansard*? Is there any reason why they should not be put on *Hansard*?

Mr. ABBOTT: None whatever. Perhaps it might be suitable if I had a table prepared and placed on *Hansard* this evening, or perhaps it could be put on tomorrow. The list contains such items as lumber, furniture, radios, washing machines and electrical supplies. There is a long list.

Mr. JACKMAN: Does the minister mean that the total cost of $7,000,000 was on a year's basis?

Mr. ABBOTT: There are twenty-five specified groups and one sundry group. The total value of the goods which have been allowed in under the particular hardship clause is, as I have indicated, $7,228,147.

Mr. JACKMAN: Which is for what period?

Mr. ABBOTT: That is from the whole world.

Mr. DIEFENBAKER: How many applications have been made altogether, of which some are still pending and others have been turned down.

Mr. ABBOTT: I have not available the total number of applications. A great many were turned down on the ground that they did not comply with the requirements of particular hardship. However, I have not those figures this evening and I am not sure whether they could be readily given now. They would be available from the files, of course, but I have not them here this evening.

Mr. DIEFENBAKER: The minister will be able to furnish them before this discussion is finished?

Mr. ABBOTT: I am told that already there have been handled some 25,000 or 30,000 letters, which no doubt could be made available. I suppose it would mean going through all the files. Some of the applications, quite clearly on the face of them, on general principles would not involve circumstances of particular hardship. They would be cases where the individual felt that there was some hardship involved and would make application. That would be turned down on the ground that there was no particular hardship. There were certain principles established. For instance, if goods were being manufactured in, let us say, the United States, and they had been stamped with the name of the importer, or they had containers or that sort of thing and could not be disposed of readily in an alternative market without substantial loss, those were allowed in. That is typical of a large class of cases which would be treated as coming within the particular hardship category. On the other hand, if they were goods which could be disposed of in the United States or some other market without any substantial loss, then in the final analysis I would decide that there was not any particular hardship within the meaning of the section.

Mr. MACDONNELL (Muskoka-Ontario): Was the word "hardship" interpreted merely as a case where the person concerned would suffer some specific financial loss due to the unwarned imposition of the measure? Is that the sense?

Mr. ABBOTT: I think that is probably a pretty fair statement. It is a question of appreciation of the facts, as to whether there was particular hardship. Shall I put it in this way: if as a result of trying to dispose of the goods in the country of origin there would be serious financial loss, that would be considered as a case of particular hardship and a special permit would be issued. The variety of circumstances that have been put up has been almost legion. I wish my friend, the former member for Vancouver-Burrard, were here. He put up an application for a merry-go-round that was either en route to or in Vancouver, and under conditions which we finally came to the conclusion would constitute particular hardship if the merry-go-round were not allowed to stay in Canada. I am citing that only as an example of specific cases which have been considered on their merits, in regard to which it was decided that there was particular hardship involved and that a permit should be given.

Mr. MACDONNELL (Muskoka-Ontario): I think the minister said there were a certain number of groups and then a miscellaneous class. Does he mean that there were certain general principles decided or that all of these many thousand of cases had been considered as special cases and decided purely on the special circumstances of the case?

Mr. ABBOTT: There were a great many cases which fell into groups. On the other hand, there were a great many cases which really had to be considered and are still having to be considered as individual cases. We had one case of a merry-go-round, for instance, and there was one case in connection with grapes, as to which there was a long discussion because of the special way in which grapes are purchased ahead of time, are sent part way and placed in storage, and get in-transit rates and so on. It was found that, with respect to certain portions of the shipments which were en route here, there would really be particular hardship if those were not allowed to come forward. It is very difficult to generalize. It was felt that this particular hardship provision should be put into the order in council, where it is now, and into the law in order to give some flexibility to enable cases of particular hardship to be dealt with on a judicial basis, as I said this afternoon. It is a question for appreciation by myself, really, on the advice of those who look into the facts, as to what should be done to relieve a particular case; and I would think, if I may just conclude, that within a fairly short time we shall be able to dispose of the great majority of these cases.

Mr. MACDONNELL (Muskoka-Ontario): When I asked the minister whether there were any groups which might fall into a principle—and if there are I hope the minister will attempt to describe them—what I had in mind was whether there were any principles which the general public ought to know, so that those who may have cases to bring to the minister may have some idea of the principles on which their applications will be dealt with.

Mr. ABBOTT: As I say, it is a little difficult to generalize. For instance, a wide range of paper products which are necessary for certain manufacturing processes have been admitted until alternative sources of supply can be arranged here in Canada. I am told that certain articles and equipment in connection with 25-cycle power have been allowed in for similar reasons. Of necessity, there must be the exercise of judgment in connection with these matters, and I think within another month or so we shall have that particular headache, if I may so describe it, largely behind us.

Mr. MACDONNELL (Muskoka-Ontario): To go back to what I said about general principles involved, has any publicity been given to what we have been calling the general considerations which might be a guide to the public?

Mr. ABBOTT: Speaking generally, there has not been any publicity given, because it is not possible to lay down any general rule. In certain cases, however, advice has been given to certain sections of the trade as to what can be done. I am referring now particularly to certain lumber and veneers. The trade interested in these matters has been informed as to what will be permitted, and a circular, a copy of which I have in my hand, was sent out early in January to importers of lumber and veneers. I need not read the whole thing, but it begins in this way:

> Following representations made by importers of lumber and veneers classified under customs tariff items 503, 504, 504a, 505, 507, and ex 507a (but not 507b) relaxations of prohibitions P.C. 4678 under permit have now been authorized as follows.

Then the particulars are given, and I am told that was published.

Mr. TIMMINS: That will be a continuing matter, then?

Mr. ABBOTT: Yes, that will be continued.

Mr. MACDONNELL (Muskoka-Ontario): That is the very sort of thing I had in mind. That appears to be a case where the distress is not merely that of some individual who happened to have entered into a contract which will cause him a loss; but it would seem to be a case where, due to the general needs of the trade, you are relaxing a prohibition. That is a different kind of distress. To me it would seem to be a recognition of the fact that certain goods are needed in this country. Is that correct?

Mr. ABBOTT: In part, that is true. There are a few groups of that kind for which, temporarily at any rate, it is necessary to relax these prohibitions.

[Mr. Macdonnell (Muskoka-Ontario).]

Mr. MANROSS: I thought these hardship matters came under section 4.

Mr. ABBOTT: They do, and this discussion should properly have come under section 4, but it was brought about by the hon. member for Muskoka-Ontario in connection with the permit question. I would suggest that there is not very much controversy about section 2, which is merely a definition section; that probably a good many of these questions will relate to hardship, and therefore it would be better to bring them up under section 4.

Mr. ROSS (St. Paul's): Before we leave section 2, I want to ask a question about hardship.

Mr. ABBOTT: Then I would suggest that the hon. member ask his question under section 4, which is the hardship section. Section 2 merely contains the definition.

Mr. FLEMING: Arising out of an answer given by the minister, I should like to ask if in any case he has regarded as a hardship case—

Mr. ABBOTT: Now, Mr. Chairman. I must ask that we deal with the hardship cases under section 4. I really think it will make for more efficiency. It is section 4 under which authority is given to issue special permits in case of particular hardship, and I urge hon. members to bring up hardship cases under that section. Otherwise we may have a couple of discussions on this particular phase of the bill. Probably we can reach section 4 in a few minutes.

Mr. FLEMING: I am quite prepared to come back to this point on section 4, though my question arose from an answer given by the minister. If I may come back to that under section 4 I have no objection to leaving it now. However, there is another matter I wish to mention in relation to section 2. What has been the procedure established within the department for handling these applications? The minister has said that in the last analysis the responsibility for making a decision rests upon him.

Mr. ABBOTT: With other committees sitting I suppose it is necessary to indulge in a certain amount of repetition, but I suggest to my hon. friend that this question was asked this afternoon, when I know he was engaged in another committee, and at that time I gave a fairly detailed answer which will be found in today's *Hansard*. We have a special interdepartmental committee set up, and this afternoon I named the members of the com-

mittee. They make recommendations to me. That is the procedure, which I outlined very fully this afternoon.

Mr. FLEMING: I did not intend to go into that; I was only concerned with the minister's part in it. Are all these cases, the refusals as well as the issuing of licences, brought to the minister's personal attention, or is it a case of the committee winnowing them out and only leaving the actual granting of the permits to the personal decision of the minister?

Mr. ABBOTT: After the first week or two of this headache, if I may use that word again, a pattern more or less emerged. The committee to which I referred this afternoon, headed by Mr. Taylor, the assistant deputy minister, has dealt with a great many of these cases and issued the permits without referring them to me. This committee keeps full and complete minutes of its proceedings and the decisions it takes. Those minutes are sent to me after each meeting; and the understanding with respect to the permits which are issued without being referred specifically to myself is that if I take objection to the method by which cases are being handled, I am to let the chairman of the committee know. Special cases are referred to me. The merry-go-round case which I mentioned a moment ago was taken up with me specifically. I decided that it was a hardship case and that the merry-go-round had better stay in Canada.

Mr. MACDONNELL (Muskoka-Ontario): I am not trying to differ with the suggestion of the minister that cases of hardship should come under section 4, but there is a question I wish to raise. We want to discuss the nature of the permits under schedule III. I am ready to follow the minister's suggestions as to whether this might be discussed under section 2, as I thought, or whether it had better come under section 3. If the minister has no objection, I will raise it now.

Mr. ABBOTT: I really think it would be more logical to discuss the nature of permits, the method of issuing them and so on, under section 3, which is the section which says that permits may be issued. This is purely a defining section. However, I do not suppose it makes much difference which way we do it, although I should think it would be more consistent to have it under section 3.

Section agreed to.

On section 3—Goods not permitted import.

Mr. FLEMING: Mr. Chairman, would you call the subsections, please.

The ACTING CHAIRMAN (Mr. Bradette): I believe it would be preferable to read the whole section, as we did with respect to section 2.

Mr. FLEMING: It could be called, one subsection at a time. It is a long section, and different things might be said by different members on the respective sections.

The ACTING CHAIRMAN (Mr. Bradette): Subsection 1.

Mr. ABBOTT: If I might be permitted to comment upon the suggestion of the hon. member for Eglinton, perhaps it might be wise to consider subsections 1 and 2 together, because they are closely linked. If we do not, I think the discussion is likely to overlap. Subsection 1 imposes a general rule that no goods shall be admitted, except by virtue of a permit; and then subsection 2 contains an important provision, namely, that the first subsection shall not apply in respect of goods which are included in the schedules to the act that were included in appendices seven, eight and nine of the foreign exchange control regulations. I believe the discussion might range over both subsections.

The ACTING CHAIRMAN (Mr. Bradette): If it is satisfactory to the committee we shall call the whole section as one unit, so that it can be discussed as a whole.

Mr. JAENICKE: Mr. Chairman, I have an amendment to offer to this section. It concerns section 3 (1) of the bill. However, before offering my amendment, I should like to make a few remarks in support of it.

When closing the debate on second reading, the minister said that the principle of the bill was very simple. Its use was to apply import restrictions in order to conserve United States dollars. Yet, in no portion of the bill do we see any mention of United States dollars. As a matter of fact, except for the short title, and the title itself, the bill does not suggest that it is meant for the purpose of regulating exchange at all. If anyone reads the bill, without the explanation given in respect of it by the minister on second reading, he would say it was a bill intended for very high protection. As a matter of fact, the hon. member for Vancouver-Burrard suggested that it might be used for that purpose.

Statistics found at page 882 of the Canada Year Book, 1947, show that in every year since 1919, including 1947, with the exception of four years Canada has had a favourable trade balance. And those years when we did not have favourable trade balances were 1920, 1929, 1930 and 1931. The total of these

favourable trade balances, after deducting the unfavourable ones, is something in the neighbourhood of $9,000 million.

Even if we take into account payments made to foreign countries on account of private and public debts and obligations, which undoubtedly were paid out of these trade balances, it seems to me, even if we take these debts paid into consideration, that somebody, somewhere, somehow, must owe us a lot of money. In view of this apparent favourable situation, it is almost unbelievable —and I am sure it is unbelievable to the people in the country—that the government finds itself in the precarious position of presenting this remarkable bill to parliament at this time.

Our trade statistics show that in all these years we have always sold more to Great Britain, to the commonwealth and to other western European countries, than we have bought from these countries. I believe that is still so. And in fact, it has been more so in the last few years in spite of the British preference which, I believe, has been in force for some fifty years.

These statistics also tell us that during all these years we always purchased more from the United States than they purchased from us; in fact, we purchased considerably more than they purchased from us; and again especially in the last few years.

In his speech when presenting the bill to the house, the Minister of Finance explained how we were able to manage for years under this lopsided arrangement. He pointed out that Great Britain, the commonwealth and other countries to which we sold were able to sell enough to the United States in order to provide them with sufficient funds to pay us. And the way the minister explained it, it was a sort of triangular arrangement. It seemed to work nicely during many years, and especially before the first world war.

It now turns out that this triangle is by no means an eternal triangle, and that this vehicle upon which our foreign trade seems to have slid along fairly smoothly for years has now been smashed. It is interesting to speculate as to who should bear the blame for the smashing of this nice triangular arrangement.

Mr. ABBOTT: Blame it on Hitler.

Mr. JAENICKE: I am inclined to believe that no one in particular is to blame. We simply emerged into another new era of foreign trade and foreign relations necessitated by the technological and scientific advances on the one hand and war, destruction and mistrust on the other. It seems to me that by force of these circumstances the world has lost its old banker, Britain. And, again by force of circumstances, and without anyone willing it, the United States has emerged as the world's banker. Without laying any particular blame on our good neighbour to the south, Uncle Sam, I am of the opinion that we find ourselves in this precarious position today because Uncle Sam does not measure up to John Bull as the world's banker. You see, besides being the world's banker, Great Britain was also the world's trader. She was a free trade country. She took goods from other countries which owed her; and if she did not need those goods for her own domestic use, or for any other use, she sold them wherever she could.

It seems to me that in thinking of world trade—and I argue that we would do well to think about that condition—and especially world trade before the first world war, perhaps we may now realize that the world owed a debt to Britain for managing the system of world trade quite well prior to the two wars. Without arguing in favour of going back to that system of world trade, it seems to me that, in order to revert to the fairly smooth working situation which existed before the wars, we would need a banker who is also a world's trader. And if Uncle Sam is to be that banker, whether he wills it or not, we have to go a lot farther than the concessions which have been made under the Geneva trade agreement.

The present bill attempts to rectify the situation by conserving United States dollars. At the same time it endeavours to do this in a spirit of non-discrimination, as set forth in the Geneva agreement. In other words, the bill is drawn in accordance with the terms and spirit of the provisions of this agreement. I know that the minister in his address in presenting the bill on second reading did not rely upon the terms of the Geneva agreement. He tried to justify the non-discriminatory elements in the bill upon its own merits. But I may say I am quite sure the people in the country understand that the non-discriminatory feature of the bill is there because we wish to live within the terms and spirit of the Geneva agreement. That is why this bill is put forward as a non-discriminatory bill, and it is my opinion that, because of the inclusion of that principle, the bill will fail in its objectives. Even with the Geneva agreement, we still have time to enact a measure that would deal with this serious situation. It is true that it would have to be discriminatory, but it might remedy the situation.

The hon. member for Acadia spoke on this matter on Tuesday and again this afternoon. He referred to articles XII and XIII and he read portions of article XVI. In order to have the story complete, I think we should have on the record the pertinent portions of articles XII and XIII. Article XII is the article which permits a signatory nation to the agreement to enact measures such as the one we are enacting at the present time. I shall read only the words which are necessary in order to make my meaning clear, which are:

> Notwithstanding the provisions of paragraph 1 of article XI, any contracting party, in order to safeguard its external financial position and balance of payments, may restrict the quantity or value of merchandise permitted to be imported.

And again:

> (i) to forestall the imminent threat of, or to stop, a serious decline in its monetary reserves.

The pertinent part of article XIII reads:

> No prohibition or restriction shall be applied by any contracting party on the importation of any product of the territory of any other contracting party . . . unless the importation of the like product of all third countries or the exportation of the like product to all third countries is similarly prohibited or restricted.

Even to that non-discriminatory clause there is an exception. The hon. member for Acadia placed on the record the pertinent words in article XIV which provide an exception to that rule of non-discrimination set forth in article XIII. I am of the opinion that we could afford to use discrimination in order to balance our exchange with the United States. The minister said that Canada or the government is proud of the stand taken in applying, not discrimination, but rather non-discrimination in connection with this bill, and that we want to set an example. That is all very well and I commend him for his fine spirit, but the question is whether we can afford to take that attitude. I submit that we cannot. Even the United States is not loath about enacting a law which is against the spirit of the Geneva agreement. Just a few days ago I read in *Foreign Trade*, a publication of the Department of Trade and Commerce, issue of January 31, 1948, the following which appears on page 225:

> The United States treasury department has ruled that the Canadian excise tax, imposed on November 18, 1947, is part of the freely offered price in Canada. Under the present United States customs laws, therefore, this tax must be included in the value for duty purposes of goods, subject to this tax when imported into the United States.

I submit that that attitude on the part of the United States is contrary to the provisions of article VII, section 3 of the Geneva agreement, which reads:

> 3. The value for customs purposes of any imported product should not include the amount of any internal tax, applicable within the country of origin or export, from which the imported product has been exempted or has been or will be relieved by means of refund.

In view of our precarious position, I submit that we cannot afford to set an example of non-discrimination. It is only discrimination that will overcome the difficulties in which we find ourselves. It seems to me that in order to balance our foreign financial position, in order to overcome our present monetary disequilibrium, in view of the statistics which have been quoted, we must restrict imports from the United States and all other countries which demand hard currency and encourage imports from countries which are willing to take our goods and which, by the way, already owe us a lot of money. I think we could very well apply the principle of discrimination to this bill, and therefore I beg to move, seconded by the hon. member for Winnipeg North Centre:

> That subsection 1 of section 3 of Bill No. 3 be amended by inserting after the word "Canada" in line nine on page one of the said bill, the following words:
>
> "From any country requiring gold or currency of the United States of America in payment or settlement of their purchase price."
>
> That subsection would then read:
>
> No person shall import or attempt to import into Canada from any country requiring gold or currency of the United States of America in payment or settlement of their purchase price any goods listed or of the classes described in schedules I, II or III.

Mr. MANROSS: I am not going to speak very long but I have some questions to ask. From the trend of events I think I had better cover them all in about ten minutes without waiting for answers because it seems that when the minister answers a simple question he takes just about as much time as he does to answer a speech. We are talking about section 3 which covers schedules I, II and III, which in our kind of language is schedule I, "you don't"; schedule II, "you do", and schedule III, "maybe". Schedule I covers prohibited articles; schedule II covers articles under quota, and schedule III says, "Maybe you get a permit."

This particular bill will be hard to administer. Before touching upon the particular tariff items I wish to mention, may I offer some advice to the excise and customs branch? I suggest that they hold sort of sales or educational meetings with the examiners located at the borders in order to attempt to turn

them into diplomatic policemen. I have noticed quite a few cases at the border where examiners have got pretty rough and tough. I know it is hard to administer regulations and examine cars without becoming somewhat officious or throwing your authority about, especially when you try to get diplomats for the miserable salaries that are paid.

I have one particular case I should like to mention. A car crossed at Windsor containing an invalid who was returning from a hospital where she had undergone an operation. They were asked if they had anything to declare, and they said, "We have some gifts in the trunk." The examiner went to the trunk and he tore in and tore the claws off the furs and damaged the car. Then he had them move the lady who was an invalid inside the customs house where she was kept for quite a while. He said "You did not tell us about this item and that item." She said, "I told you they are all gifts, and the names are on them. If they are not permitted, you can seize the gifts." He said, "We are also going to seize the car." The way it works apparently is that if you say you have nothing to declare and they find something, you are hooked. That has been my experience. But if you tell them you have something, then they have not the right to seize the car. However, they seized the car—I am not making an issue of that—and they fined her $50. These people got to Tilbury. It got cold and they wanted to put a heavier coat on her mother who was an invalid. They could not find the coat, so they drove back to Windsor, and the coat was there in the customs house. That was a coat made in Canada, with a Canadian label on it. The customs officers told her that they did not intend to seize that coat, that it was there by an oversight. I am not criticizing that particular examiner or the department except to this extent—

Mr. McCANN: Did my hon. friend state that the customs officer fined somebody $50?

Mr. MANROSS: The official fined somebody $50.

Mr. McCANN: That statement cannot be correct. Customs officers have no authority to fine anybody. What they have authority to do is to collect customs duties that are due. I doubt very much the accuracy of the hon. gentleman's statement.

Mr. MANROSS: Thank you very much, sir. Now I shall have to go into details, Mr. Chairman. They are as follows:

In re seizure No. 30322/7214:

The collector of customs and excise, Windsor, Ontario, having reported that a seizure has been made from you on January 29, 1948, of the following goods—

[Mr. Manross.]

Which are listed, and it goes on to say:

That the said goods were smuggled into Canada and that the said automobile was used in such unlawful importation.

(Car released upon deposit of $50)

An hon. MEMBER: What is the hon. member reading from?

Mr. MANROSS: I am reading from a Department of National Revenue statement. That $50 may not be a fine. The minister may trip me up on my English. I know they got $50 from her. I am not arguing that it was wrong. I am simply arguing that that was the attitude of those fellows because they have not been properly educated how to go about the matter. If the Minister of Finance and I held some sales meetings there we could educate these people to be diplomatic and still get the goods.

I presume that all items in the customs tariff which are not mentioned in the bill remain as is. That is my assumption. Tariff item 698 comes to my mind because this is White Cane week in Canada. Item 698 covers articles specially designed for the use of the blind, whether used for educational, recreational or other purposes. Such articles come in duty free. That item is not in the bill and I assume it remains as it is. It covers supplies brought in for the blind, such as Braille, and various other systems. The blind need these supplies and have not any too much money. I think the Minister of National Health and Welfare is going to do something further this session to implement the program coming as close as he can to the six-point program for the blind, and naturally, if he does this, more supplies will be required. I am going on the assumption that the rest of the items in the tariff which are not mentioned in the bill are not to be changed.

I turn now to item 415(a) in schedule I, which covers "refrigerators, domestic or store, completely equipped or not." It does not say, "and parts thereof," although the general ruling has been that if parts are completely assembled they come in under 415(a), but items such as brass valves, wheels and so forth, are cleared under the items covering such materials. I know we are not talking about taxes under this bill. Nevertheless refrigerators carry a 25 per cent tax. My understanding is that the manufacturer in Canada of electrical refrigerators can bring in all the parts he wants. In other words, the 25 per cent tax is to curtail production. But there is nothing in the regulations to curtail his importations. In other words, he has to cut down production. The 25 per cent tax is paid by young couples and veterans establishing homes, and the tax will slow up Canadian

production. I should like to have seen the electrical refrigerator manufacturers given a United States dollar quota similar to automobile manufacturers, and then you would not have needed this 25 per cent tax on refrigerators. They would get a quota of United States dollars for what parts they need. It is an established fact with all the leading refrigerator manufacturers in Canada that the refrigerator contains a certain United States content. One manufacturer estimates his at $8.90, one at $11, of United States content. It varies. If that item could have been in schedule II and if it had been given a quota of United States dollars, it would have eliminated this burdensome 25 per cent tax.

There is nothing in the bill which says that a new company shall have a quota for bringing in parts, tools, machinery, and so forth. A United States firm might want to establish a branch in Canada. It may have lots of money in the United States and could send the parts in to its branch company. There should be some arrangement whereby new firms can get a quota on parts importations, even if it is only for a temporary period, until they can secure sources of supply in Canada to take care of their needs.

I do not know whether quotas have been set on automobiles imported from the United States. They are on the prohibited list but I understand there are to be quotas. I do not know whether it is to be a dollar quota to manufacturers or a car quota to dealers to bring in completed cars. Of course, if the quotas are equal in dollars to manufacturers and new dealers who have established themselves in business to be able to bring in Nash, Studebaker and other completed United States cars, the new dealer will be seriously handicapped. He could not get many cars if he gets only $210 a car. The importer of United States made cars who has no Canadian source of supply may be forced out of business, while the other dealers will still be kept in business, regardless of how severe the import quotas might be. I know that in my riding there is extreme hardship for four dealers, with a plant investment of $350,000, employing seventy-two men, and handling United States cars. They are now being practically put out of business. Their franchise is gone and their bank credit is practically gone.

I notice another item in schedule I, item 192 on page 8 of the original bill. I have not the reprint here. It covers insulation. Insulation, with the exception of fibre glass, is prohibited. I do not know why that one type of insulation has been permitted entry, while all the others have been barred. I called the department in regard to these items and asked different people to try to find out why. I should like to know for my own satisfaction. We have refrigerator manufacturers and other people building houses and trying to insulate them. I asked the department why fibre glass was permitted to come into the country and other insulating materials were not. Finally I was told that somebody would call me back. You cannot expect everybody in the department to know everything, except the minister.

The individual to whom I was talking said that fibre glass was a much better insulating material. He said that it was a higher class material with much more heat resistance, and that is why it was admitted. I asked him what was the "K" factor of fibre glass. He said, "I do not get you." I said, "What is the 'K' factor of fibre glass?" He said, "I cannot tell you that." I said, "I can tell you that, because I have a book published under the authority of the Hon. J. L. Ilsley, M.P., Minister of Finance, in 1943, and on page 23 he lists the 'K' factor of these insulating materials." I might explain to the committee that the "K" factor has to do with heat resistance or conductivity of insulating material. Glass wool, which is fibre glass, has a "K" factor of ·27; "Kimsul" and some other types of insulation that are prohibited have a "K" factor of ·27, exactly the same. I told him that, and he said, "Fibre glass is used for certain types of refrigeration only; it is cut the size and it does not absorb moisture." That is all right. The minister might give somebody the right to import fibre glass for a particular type of refrigeration where there might be a certain moisture condition and where batts and other types of insulating material could not be used. Cork insulation is out because it is too hard to get.

Fibre glass was never used for insulating houses up to within the last few years. We have a manufacturing concern from the United States, the Kimberly Clark Corporation, with a $28,000,000 investment in Terrace, Ontario. They are building 2,500 houses for their employees. They want to insulate them with insulating material called Kimsul, which is made from Canadian pulpwood shipped to Wisconsin. They probably get one hundred and fifty million United States dollars from shipping pulpwood to the United States. They want to return probably $2,000,000 worth of insulating material from this pulpwood to Canada. The department felt that they were right when they took the stand that insulating material for houses is made in Canada and fibre glass is not for houses. If that were true, of course it would be all right; but the minute

the fibre glass people were permitted to import fibre glass insulation they went out to all dealers handling Kimsul insulating material to sell them fibre glass for houses. They brought their price down to the same price of other insulating materials. The fibre glass people are running an advertisement as follows:

> Here's important news for the building trade. Fibreglass building insulation—the product which within eight short years of its introduction has rocketed to first place in the highly-competitive insulation field in the United States—is now distributed in Canada.

Therefore the prices are comparable. Fibre glass sells at $80 a thousand, while Kimsul insulating material sells at $75 a thousand. In other words, the fibre glass price is within $5 of the price of other materials. As a consequence, the fibre glass people have tripled their business, while the importers of other types of insulating material are not permitted to import. That is a problem in the schedules which should be taken care of. This is a matter which has come to my attention. I have no insulating distributors or manufacturers in my riding. It has come to my attention because I was associated with the business for a great many years, insulating houses, building cold storage places and so on across Canada.

Another matter I should like to mention is that of tumblers. I did not have as much information when I first brought this matter up as I now have. Machine-made tumblers, mostly tableware, come from the United States. If they are decorated when they come off the machine they are permitted to come in, but if they are decorated afterwards they are prohibited. The reason is that this bill is drawn solely on tariff items. Plain ware comes under one item and decorated ware under another. Before the war we used to get a lot of this ware from Belgium and England. Recently we seem to have cultivated the United States source of supply. Consequently they have allowed tumblers to come in from the United States. I cannot say whether we should or not, because I am not in a position to say whether we have enough in Canada or can get them from Belgium or not. But if tumblers come in from the United States, certainly we should allow the plain ones in. They cost twelve cents a dozen less, and in carload lots, which is the way they are bought, that is quite an item. This is another item that should be checked and rectified. These are not policy objections; they are schedule objections. As I said a while ago, they should have come under item 4, because some of them will create a real hardship.

[Mr. Manross.]

I have nothing further to say on this schedule with the exception of that which was mentioned by the hon. member for Davenport this afternoon. I hope that limestone from Indiana will be permitted entry, so that the universities which are now expanding to take care of student veterans will be enabled to enlarge their institutions without spoiling their architectural appearance. I also hope that the Minister of Trade and Commerce, in his quite generous and thoroughly businesslike way, will give these universities permits for the necessary building material to enable them to accommodate the students they have received from the second war. That is all I have to say, Mr. Chairman. I could have put on a lot of questions, but that would take a lot of time. My questions are now on the record and we shall probably get the answers before the section is disposed of.

Mr. MACDONNELL (Muskoka-Ontario): I wish to go back to the question of permits under schedule III which, I think, are the most difficult and important. I do not know whether the minister would like to add something to what was said this afternoon just before the dinner recess. What we want to know is on what basis the permits are made; whether each case is being dealt with on its individual merits or whether there are certain general rules. We were told that regulations were to be made. The minister might tell us whether these regulations have been made. If so, what are they? If not, why not, and just what the situation is at the moment.

Mr. HOWE: There is a variety of permits under schedule III. Permits covering new construction are issued on a project basis. In other words, if a building project is approved a project number is given the over-all expenditure. When approved, individual permits issue automatically. And, as applied to the project, the sum total of the individual permits must not exceed the limit set in the project, but within that limit permits issue freely.

So far as individual items of equipment are concerned, we have rules applying to that. If it is a replacement of a worn-out part it will issue automatically. If it is a new machine, the needs of the situation are examined and it depends on whether a case can be made out or not.

Mr. MACDONNELL (Muskoka-Ontario): Will the minister permit a question? Is the

minister going to put on the record certain regulations, or is he just going to give us the general description?

Mr. HOWE: Well, the only regulations today are the over-all permits affecting the automobile industry, both the manufacture and the parts. But it is impossible to bring new construction projects down to an absolutely rigid basis. Generally speaking, the tests there are as to whether they will create important amounts of United States dollars; whether they are essential to the industrial life of Canada, such as hydro-electric plants; and as to the general purpose of the project. On several occasions I have said that projects which merely add to the comfort and convenience of the Canadian people are not granted permits; for example, moving picture theatres, office buildings or places of amusement are glaring examples of projects that are not granted permits.

Mr. JACKMAN: That is interesting to know after all these years.

Mr. HOWE: If my hon. friend will just keep quiet I shall be able to inform the hon. gentleman who asked the question. My hon. friend's interjections are always helpful, but if we could keep the discussion to one at a time, it would help. As far as manufacturing firms are concerned, the purpose is to encourage the use of Canadian facilities to the maximum extent. The arrangement with the automobile industry has been published. It is so framed as to encourage the maximum use of Canadian components as well as the maximum effort on the part of the industry to export and help us to obtain United States dollars.

Mr. TIMMINS: I wish to ask a question of both the Minister of Finance and the Minister of Trade and Commerce. At the present time I presume we are carrying on under P.C. 4678?—

Mr. ABBOTT: That is correct.

Mr. TIMMINS:—and whatever regulations there are must be in P.C. 4678.

Mr. ABBOTT: That is correct.

Mr. TIMMINS: There are a great number of things in P.C. 4678 such as designate currencies, non-resident, foreign currency, sterling area countries, Canadian currency, United States dollars and so on, which go to the very root of the matter of these import controls; yet they do not appear at all in the bill. I presume they must, at some time or another, all be covered by regulations, and regulations come under this section 3. My suggestion, and it is only a suggestion, is that, since those regulations must come before us some time, they ought to come before the house just as soon as possible so that we may deal with these matters which are the very meat of this whole bill. That is my first thought.

My second thought is directed to the Minister of Trade and Commerce. He suggested that permits will be issued under schedule III in the way of projects. I presume that, if it is decided that a certain project was a necessary one and was entitled to a permit, if it was an office building the limestone required may come in, as well as marble and steel. There would not be any end to the component parts of that building that might come in under that project permit. Does it give to the builder, the contractor or owner a choice of materials, or just what strings does the minister have on the things that come in under that permit?

Mr. HOWE: Before any project is approved, it is screened for United States content; and where Canadian substitution is possible, any United States content is stripped from the project before it is approved. When the project is approved it has a list of materials to be imported from the United States, and a dollar value for those materials which has been approved by the officials responsible for the examination. But any project that is approved is approved only to the extent of permitting the import of materials absolutely necessary for the completion of the project.

Mr. TIMMINS: May I follow that up by another question? As has happened and as will happen, suppose the minister is confronted with a project which is an office building and right next door he is confronted with another project which is partly mercantile and partly office building, what happens there?

Mr. HOWE: Neither one would be approved.

Mr. TIMMINS: Inasmuch as in certain places, I see buildings being torn down and people being thrown out of their offices, can we take it absolutely that if they are in either one of those categories the projects will not be allowed to go ahead?

Mr. HOWE: That is right.

Mr. TIMMINS: Is there not some way that we could have before the house, and not so much before the house as before the

people in business who may not be able to obtain them, the regulations which are to govern the minister's decision in respect of these matters in the future?

Mr. HOWE: It is much easier for anyone in doubt to write to the department and get a ruling on the case than it is for me to lay down definite rules.

Mr. KNOWLES: We shall have to get back to the amendment moved by the hon. member for Kindersley before long; but, as the Minister of Trade and Commerce has been brought into this discussion, I should like to express the hope that, some time before long, he will make a statement as to what is being done under his direction with regard to the positive side of this new program. We were told in November, when the Prime Minister and the Minister of Finance made their famous announcements, and we have been told a number of times since, that this program is not just a restrictive one; that it consists not only of the kind of measures that are before us now under the direction of the Minister of Finance, but that there is also a positive program headed up by the Minister of Trade and Commerce. We have been led to believe that there is to be an expansion of industry as the basis for increased exports which, in the long run will improve our position greatly. In the debate on the second reading of this measure, the Minister of Finance indicated that the Minister of Trade and Commerce would go into the matter later and give us the positive side of the story; but I submit that we are still waiting for it. The Minister of Trade and Commerce is talking in the same restrictive terms that we get from the Minister of Finance.

Mr. ABBOTT: We have this bill before us now.

Mr. KNOWLES: I am not particularly anxious that the Minister of Trade and Commerce make that kind of statement tonight, but I think he owes it to the house and to the country, some time soon, to give us some details on the positive side of the program.

Mr. ADAMSON: The question just raised by the hon. member is one we spent all afternoon on.

Mr. HOWE: I shall save you the trouble of asking it again. The attention of the department is being devoted actively to making use of any existing facilities in Canada. The department is also encouraging new projects which promise to be substantial earners of United States dollars or to add substantially to Canada's useful exports. That is the direction in which the efforts of the department are being directed, and with some success, I may say. We have arranged for the use of existing facilities which will provide for substantial increments of United States dollars.

Mr. KNOWLES: Can the minister give some details, indicating in what industries or in what facilities these developments are taking place?

Mr. ABBOTT: That is out of order.

Mr. HOWE: I question how far we should be led down side alleys of this sort, Mr. Chairman. This has nothing to do with this bill.

Mr. KNOWLES: It is an important part of the program. We have been waiting for it for three months.

Mr. HOWE: I mentioned a program of $50,000,000 of aluminum exports to the United States from facilities that are not now active. I could mention an accumulation of other groups of projects, but I think it would hardly help hon. members to decide about this bill.

Mr. KNOWLES: When shall we get that kind of discussion?

Mr. HOWE: I do not think you will ever get it.

Mr. KNOWLES: That is a great reply for a member of the Liberal party to give in the parliament of Canada.

Mr. SMITH (Calgary West): Yes; and I am a member of it, and it is my turn. I contribute little, perhaps, and what I have to say now will be brief. A moment ago the hon. member for London was telling of the experience of some people who came to the border at Windsor. He was rudely contradicted by the Minister of National Revenue; and unfortunately that is becoming a habit with the minister, though he is the only member of the cabinet about whom I will say that. Lest he think everyone in his department is perfect, let me tell him that I crossed the border on January 25 at North Portal. I was going to the other side because of my health. My bank had communicated with the department and had obtained $400 for me. That took in my wife's $75 and my $75, so I did not get all the gravy that was going. I had my form H and everything else I should have had. The officer at North Portal said, "Have you $400"? I replied that I had. He said, "I will have to take it from you." He scared my wife to death; but I said, "Yes; you and who else?" Let us not think for one moment

that these people the hon. member for London was talking about are all trained; and I hope they are not taking their cue from the manner exhibited by the minister in this house tonight.

Mr. HERRIDGE: I want to ask the minister one question on this point. What would be the reason for prohibiting the importation of certain very necessary things at this time, while at the same time there are no restrictions on the importation of United States films?

Mr. ABBOTT: That is a pretty general question. I believe my colleague the Minister of Trade and Commerce is dealing with the film aspect of this matter. Some people consider that films are just as necessary a part of life as, shall we say, strawberries in January or some other things.

An hon. MEMBER: Cabbages.

Mr. ABBOTT: Well, we are importing cabbages now. One purpose of this program is to interfere as little as possible with established businesses in Canada on which a great many people are dependent for their livelihood. I do not think anyone can deny that the entertainment industry, including the motion picture industry, is certainly not patronized only by the upper ten, or that it is an industry which employs a great many people, and that it would be neither wise nor even desirable to cut it off in that way. I believe the Minister of Trade and Commerce can give the committee some idea of what is being done with respect to the importation of films, but I would hesitate to believe that members of this committee would suggest that we should prohibit the importation of United States films, or, for that matter, of any films.

Mr. FRASER: They are a lot better than the films than the national film board get out.

Mr. HOWE: Negotiations are going on with the film industry which promise a substantial quid pro quo to offset the drain of dollars caused by the industry. I am not prepared to make a full announcement this evening, but I think I can say Canada will get good value from the industry in return for permitting the industry to take Canadian dollars across the line.

Mr. GREEN: Has any restriction at all been placed upon the importation of films from the United States?

Mr. HOWE: Certain film materials and cameras are prohibited.

Mr. GREEN: But has any restriction been imposed yet on the films?

Mr. HOWE: No.

Mr. BLACKMORE: A moment ago the Minister of Trade and Commerce spoke of various types of industry they were endeavouring to develop in Canada in order to save United States dollars. I just wonder if he will give particular attention to the possibility of developing the beet sugar industry in Canada. Last year we lost practically $28,000,000 in United States dollars because our beet sugar industry was not developed. If we really mean to get somewhere; if we really intend to develop industry in Canada, it is industry of this kind to which we must devote our attention, because there is no doubt this industry can succeed, and there is no doubt the Canadian beet sugar industry can save United States dollars if just a little common sense is shown in the management of that industry. But common sense was not indicated in the reply given me the day before yesterday by the Minister of Finance to a question I asked.

Mr. ABBOTT: Well, Mr. Chairman, could we get back to section 3?

Mr. SKEY: I am most concerned about the reply just given by the Minister of Trade and Commerce to the hon. member for Winnipeg North Centre, who brought up a subject with which the committee was concerned all afternoon. One hon. member after another taxed the Minister of Finance with the same question. This is a restrictive measure, one of the positive measures, one of the curative measures in this legislation. Now it is put up to the Minister of Trade and Commerce, and he gives us the answer that there will never be the possibility of discussing this in the House of Commons. In other words, we must trust to him. I just want to draw a parallel to that answer, and I think it is apt in this case. Last evening I spent some hours in reading Mr. Trevor Roper's book entitled, "The Last Days of Hitler." In it he describes Mr. Goebbels' propaganda during the late war, by means of which the German people were kept happy year after year with his promise of the secret weapon. As I see it, this promise is the secret weapon of the Department of Finance and the Department of Trade and Commerce, and the Canadian people will never know what it is.

Mr. MACDONNELL (Muskoka-Ontario): I wish to say a word about the same question. As I understood it, the minister in effect said to the hon. member for Winnipeg North Centre that the details of the positive side of the government's new program would never be known.

Mr. ABBOTT: He did not say that.

Mr. HOWE: I did not say that.

Mr. MACDONNELL (Muskoka-Ontario): I have been a businessman myself, and I am not suggesting that the minister should come out and tell us all the details of this or that arrangement he has in view. But I am suggesting that we should not be left to learn in the newspapers some fine day that this or that has been done. I suggest that we are entitled to some general ideas, not just these vague pieces of optimism. I notice the minister was at it again the other evening, saying this would be only a matter of months. He might do well to learn a little from the Minister of Finance, who does not indulge in nonsense of that kind. I think we are entitled to some information, unless we are to believe that this arbitrary power has made the minister not only above himself but above us. There must be some information we can have and not, as I say, just these general observations.

Before I sit down, I want to ask one other question. I understood the minister to say that one of the industries to which United States dollars were being allowed was the automobile industry, and that this was being done on the basis of the amount of United States dollars which that industry was likely to bring into Canada. That is what I took down when the minister was speaking, and I thought that was what he said. If he wants to correct it I wish he would do so now.

Mr. HOWE: The particulars of the automobile regulations have been published in the press for the last four days, both in advertisements and in the news columns. I have not that information before me at the moment, though I can get it. I said it was a proportion of imports they were allowed in the standard period, plus a proportion of the money spent on complete automobiles imported, plus a certain proportion of the money recovered from exports. But surely my hon. friend reads the newspapers, and he must have read that if he has any interest whatever in the subject.

So far as the hon. member for Winnipeg North Centre is concerned, if he saw the trade statistics for the last month which were published, and which I am sure are of interest to him, he would find that the increase in exports is very much larger than the decrease in imports. The exports did increase largely, while the imports were reduced, which is an indication that the program is in operation. And we hope that the future figures will indicate the same thing, namely a substantial increase in exports, while we bring about a reduction in imports.

[Mr. Abbott.]

Mr. MACDONNELL (Muskoka-Ontario): What are the increases in exports? Will the minister give us details?

Mr. HOWE: We issue press releases on that subject almost every day. Surely my hon. friend knows that.

Mr. MACDONNELL (Muskoka-Ontario): I am asking the minister, if he has those figures, if he will let us have them. We are discussing that now.

Mr. ABBOTT: We are completely out of order.

Mr. KNOWLES: When will it be in order? I was told a minute ago, "never". I am asking the question again.

The ACTING CHAIRMAN (Mr. Bradette): Part of this discussion is certainly out of order, because we are dealing with Bill No. 3, emergency measures for the conservation of foreign exchange. Is the amendment carried?

Mr. ABBOTT: I wish to point out to the committee again that we are dealing with Bill No. 3, which is one sector of the dollar conservation program. It is a purely restrictive measure. I cannot say at the present time that it would be proper for me to speak about constructive measures which the government is taking, through the Department of Trade and Commerce and through other government departments, to increase our exports. But I do know, and I am certain that it would not be on section 3 of this bill.

Mr. MACDONNELL (Muskoka-Ontario): Just a minute; we are discussing permits, and we have been asking the Minister of Trade and Commerce to tell us the basis upon which permits are being issued.

Mr. ABBOTT: It has not anything to do with export.

Mr. MACDONNELL (Muskoka-Ontario): He has told us one of the bases of permits being issued—and I took this down—is the proportion of United States funds recovered by the motor industry. I want to know how the motor industry is recovering American funds. I do not think it is an unfair remark, for he himself brought it in as part of his argument. However, I will not press it. But I do wish to know what he means by saying that the automobile industry is producing American funds. If he is correct, where are the exports of motors going, which are producing American funds?

Mr. HOWE: Mr. Chairman, all I can say is that it may surprise my hon. friend to know

that the Canadian automobile industry is not a drain on balance—that is the industry manufacturing in Canada is not. It does not constitute a drain on American funds. Value of exports is in excess of value of imports. The net balance does not represent a drain.

Mr. MACDONNELL (Muskoka-Ontario): Does the minister mean a net balance in American funds?

Mr. HOWE: The net balance of exports.

Mr. MACDONNELL (Muskoka-Ontario): That has not anything to do with this.

Mr. HOWE: I say that it is much the same thing. However, it would take all evening to explain that to my hon. friend.

Mr. MACDONNELL (Muskoka-Ontario): All right, take all evening to do it.

Mr. HOWE: As a matter of fact, dollar exports to the United Kingdom at the present time are just as good as exports to the United States, in obtaining American funds, because the balance in excess of the loan is paid for in gold—that is American funds.

However, the point I make is that it seems to us that the industry is capable of contributing much more in American funds than it has been doing, and the regulations are framed with that in mind. I shall be very glad to get the regulations and either put them on *Hansard* or send them to my hon. friend. I have sent up for them. I am surprised that he has not read them. I think he will see they are definitely designed for that purpose.

Mr. ADAMSON: The minister said that exports to the non-dollar countries were paid for in gold. Does that mean that exports of automobiles from Canada to South America and England are paid for in gold?

Mr. HOWE: The minute gold is mentioned, my hon. friend pricks up his ears; the discussion is getting into his territory. The position is this, that certain amounts of credit are issued per month to the sterling countries. Everything above those amounts is paid for in gold. If we ship anything to the sterling areas in addition to the amount of the credit, it is just as valuable in United States dollars as though we shipped it to the United States, because it produces gold. That is probably too deep for the hon. member.

Mr. JACKMAN: What the minister said was that we allowed Britain so many credits per month, I suppose in Canadian dollars, to repay us for things they buy from us. And anything above those credits will be paid to Canada in gold.

The question is this, should Canadians increase their imports from Great Britain? Then that would tend to offset further purchases from us by Great Britain.

Mr. ABBOTT: Right. The position is simply this, that the net deficit is financed partly out of credit and partly in cash. If the United Kingdom increases its exports of textiles, for instance, to Canada, it is just the same as United States dollars, or gold of course.

But I suggest that we do not get into a discussion of the balance of payments position on section 3 of the bill, or a discussion of any of the other thousand and one variations of this complex exchange problem, or we shall never finish. I do not know how we can handle it at all. One comes here with certain information ready to answer certain questions. I have before me some very competent officials who have figures with them, but it was not contemplated that this evening we would be discussing those subjects which have been raised. I do not think we have the necessary detailed information which could be provided to the committee. Questions as to the details in connection with permits are not properly asked now. General questions asking how permits are issued are perfectly in order, but when we get to details, it certainly does not come under this section.

The ACTING CHAIRMAN (Mr. Bradette): The point is well taken by the Minister of Finance. It is absolutely impossible to cover all financial ramifications on this bill. This is a bill for a definite purpose, and we are dealing with one section of it.

Mr. MACDONNELL (Muskoka-Ontario): The Chairman and the minister agree that this is the proper time to discuss permits; and the Minister of Trade and Commerce undertook to tell us the bases upon which he was issuing them. So far as I am concerned, the information he has given is either wrong or so confused that I, at any rate, cannot understand it. He can blame me for that, if he likes, but I will come back to have it cleared up. The minister gave us figures with regard to the automobile industry which, I think, are entirely misleading. I cannot yet believe that he has answered squarely the question I have asked him, because he got out of it by saying that exports to the United Kingdom were as good as gold, because the amount over and above our credit was paid in gold. How much is paid by our credit, and how much in gold? My understanding is that it is mainly paid by our credit. What

is the sense of the minister saying that you apply the gold wholly to the automobile industry?

Mr. ABBOTT: If the British take automobiles, they will take them instead of aluminum; that is the answer to that.

Mr. McMASTER: Are any credits being given to the sterling countries other than the unexpended balance of the loans today?

Mr. ABBOTT: None.

Mr. KNOWLES: As will be seen, this section has to do with import controls. I understood—and I am speaking subject to correction—that one of the principles of import control was to provide in it the proper exceptions to enable the Minister of Trade and Commerce to assist in developing certain Canadian industries for the purpose of increasing our exports to help to overcome our balance of payments. That is the reason why I waited patiently until we reached section 3, because I thought that would be the appropriate place to discuss the positive side of the program which will be under the direction of the Minister of Trade and Commerce. I still feel that it is a perfectly proper question for a member of parliament to ask, namely, that some minister of the government should indicate when we can hope to get some information about that positive side of the program.

Mr. ABBOTT: Section 3 has nothing to do with the positive side of the program. The provisions with respect to capital goods in schedule 3 are there because, in the very nature of things, they do not lend themselves to quota restriction. Obviously one could not make a blanket prohibition of the importation of essential goods like machinery and structural steel. It was felt that the only practical way to deal with the importation of that class of goods as distinct from consumer goods was by the permit system. That permit system has nothing directly to do with the constructive side of the program. It might well be that one of the reasons which would govern in allowing or refusing a permit would be the fact that the project which was contemplated would contribute to our export trade, but the measure is essentially restrictive. These articles are such that they could not naturally be restricted under a quota system.

Mr. KNOWLES: That is a fair enough reply, but could the minister indicate at the same time when we can discuss the positive side of the program? I am beginning to wonder if there is one.

[Mr. Macdonnell (Muskoka-Ontario).]

Mr. ABBOTT: There is one obvious place where one could do that, and that is on the estimates of the Minister of Trade and Commerce. If there were no other place, it certainly could be done there. I think that would be an appropriate place to discuss this long-range matter. Obviously it is something that cannot be accomplished overnight, and I said that in my radio speech on November 17. I said these restrictive measures would be necessary until such time as the long-range constructive measure could be brought into effect. The hon. member for Cape Breton South laughs.

Mr. GILLIS: You mean it is out of range.

Mr. ABBOTT: I think any hon. member, on reflection, will agree that it is a pretty commonsense point of view.

Mr. GREEN: I should like to get back to the consideration of the amendment before the committee. As I understand it, the effect of that amendment is to take out of the operation of this bill imports from all countries other than dollar countries. I may be wrong in my interpretation, but I understand that that is what the amendment would do if accepted.

Mr. ABBOTT: That is my understanding of it.

Mr. GREEN: I must say that I support wholeheartedly an amendment of that type. Frankly I do not see how many of the private members on the government side can oppose that amendment. There are three types of restrictions provided by Bill No. 3. The restrictions under schedule I are in the form of outright prohibitions which apply to all countries, dollar countries and non-dollar countries or soft money countries, as the minister calls them.

Schedule II provides for quotas. It is pertinent to note that, in setting the quota restrictions, the government has forgotten all about this non-discriminatory principle about which the minister is so boastful. Two types of country are set out, the dollar country and the non-dollar country, and each is treated in a different way. I ask the Minister of Finance to correct me if I am wrong, but my understanding is that the dollar countries are Cuba, the Dominican Republic, Guatemala, Haiti, Panama, El Salvador, Switzerland and Russia, which could hardly be described as a dollar country although she is in with the rest.

Mr. ABBOTT: It is not a question of being a dollar country or not. It is rather a ques-

tion of being one of the group of countries which are technically known as countries in balance of payment difficulties.

Mr. GREEN: Then there is the United States, including Alaska, Hawaii, Guam, Puerto Rico and the Virgin Islands, and Venezuela. There is discrimination in connection with schedule II.

There is a third group which comes under the Minister of Trade and Commerce and in which goods from all countries are included. In this case a permit must be obtained for the import of capital goods from any country.

It is perfectly clear that the problem we are facing is a shortage of United States dollars. It is also perfectly clear—and no minister has contradicted this—that under the Geneva trade treaties which the minister gives as his reason for having non-discriminatory—

Mr. ABBOTT: I did not give it as my reason.

Mr. GREEN: I am glad to hear that. Incidentally, I suspected that that was not the minister's reason. There is no doubt that under the Geneva treaties we have the power to adopt discriminatory policies.

Mr. ABBOTT: For twelve months.

Mr. GREEN: For twelve months. The minister says that this bill is temporary; he is calling it an emergency bill. The Minister of Trade and Commerce said it is to be for only a few months. Is it to be for more than twelve months, or what is it to be?

Mr. HOWE: Just keep the record straight; I never said a few months.

Mr. GREEN: I am afraid that what happens is that the Minister of Trade and Commerce gets enthusiastic and does not know what he says.

Mr. HOWE: I know what I say.

Mr. GREEN: I am afraid that statement was of that type.

Mr. HOWE: I am afraid it was not.

Mr. GREEN: It is perfectly clear that under the Geneva trade treaties Canada can discriminate to remedy an adverse exchange situation. It is perfectly clear that, by adopting this policy of total prohibition against non-dollar countries when we do not need to, we have discrimination. That is the sort of action which is breaking the terms of the agreement upon which some of the ministers place such store.

The minister said last night that this non-discriminatory policy was of the utmost value to Canada because of our large export trade and the fact that there was this Atlantic triangle of the United States, Canada and Great Britain. I would point out that Great Britain has always been our best customer.

Mr. ABBOTT: No.

Mr. GREEN: Practically always.

Mr. ABBOTT: No, not practically always.

Mr. GREEN: Ever since confederation, with the exception of a few years. So far as Great Britain is concerned, much of that trade has been built up under the discriminatory policy. The empire preferences, which were the only things that pulled us out of the depression, were discriminatory. Under those preferences, British Columbia was able to sell her lumber, her apples and her fish. There is no British Columbia member on the Liberal side of the house who will disagree with that statement.

Mr. REID: Do not point at me; I voted against the trade agreements.

Mr. GREEN: You made a big mistake that time. The hon. member for New Westminster does not often make a mistake like that. The imperial preferences were discriminatory. Canada's whole tariff policy from confederation to within these last few weeks has been discriminatory. No matter what government was in power, that was the type of fiscal policy we adopted.

Now suddenly the government has turned to a non-discriminatory policy. I would point out that we do not yet know what the United States will do. Congress has not approved the Geneva treaties and we do not know yet how far they are going to go. We do not know what concessions we shall get in the United States market. For the life of me I cannot understand why Canada is in such a hurry to give everything away. The Minister of Finance said last night, at page 1088 of *Hansard:*

> We do want to set an example.

We want to set an example to the whole world. That is why we are rushing into this non-discriminatory policy. The hon. member for Kindersley said that the government had adopted this non-discriminatory policy because of the Geneva treaties, but the Minister of Finance a moment ago denied that. He said that is not the reason at all.

Mr. ABBOTT: Not the only reason.

Mr. GREEN: The reason was given clearly by the minister himself when he said on December 9, as reported at page 95 of *Hansard*:

> The United States in particular attaches great importance to the non-discrimination

principle. While it possibly could not be called a fetish with them, it is a principle to which great importance is attached. The success of this emergency program and the smooth functioning of our economy depend upon the wholehearted co-operation of our friends to the south. That has been evidenced by their willingness to make us a loan of $300 million.

Mr. ABBOTT: And to give us oil and steel.

Mr. GREEN: Give us nothing. We are paying for it all. The minister talks about a loan of $300 million. He does not tell the house that he was turned down when he asked for $800 million.

Mr. ABBOTT: He did not ask for that and was not turned down. Where does my hon. friend get his information?

Mr. GREEN: Let us get down to bedrock. The reason for this rush to adopt a non-discriminatory policy is to please the United States, and there is no other reason. This bill has one great defect. It should have stamped on every page, in large red letters, "Made in U.S.A."

Mr. ABBOTT: What nonsense!

Mr. GREEN: Then we would know exactly what sort of thing we are dealing with.

Mr. HOWE: No truck or trade with the Yankees.

Mr. GREEN: It is not a question of no truck or trade. That is just a cheap interjection.

Mr. HOWE: I am simply saying—

Mr. GREEN: Let my hon. friend rise in his place to say it.

Mr. HOWE: I simply say that cutting off imports from the United States, a market which they have had for many years, to help us straighten out our dollar position and at the same time preserve our place in the United States market is no truck or trade with the Yankees.

Mr. GREEN: I do not know what that has to do with the matter. I do say this, Mr. Chairman: there was a situation to be met and I am sure the people of the United States understand it. They are friends of ours and they know what position we are in. They want these restrictions lifted as soon as possible, and the quickest way to remedy our trouble was to put restrictions on imports of dollar goods rather than on goods from all over the world. The United States people have always been our friends and always will be. I should like to tell the ministers this, that the people of the United States and the United States government would have far more respect for the Canadian government if it stood on its feet and took the straightforward course. It is not the American way to want to have people grovelling before them and trying to win their favour. That is not how they do business, no more than it is our way. If we want the respect of the people of the United States, let us be open and aboveboard about this thing and not try to go around the corner. I urge the members on the government side to support this amendment and to make this bill apply only to the dollar countries. That is the reasonable provision to make at the present time. Put the bill through on that basis, and let us try to get over our difficulties as quickly as possible. But do not use this present occasion as a means of bringing in a non-discriminatory policy.

Mr. ABBOTT: I do not know how my hon. friend can speak with such complete assurance as to what the attitude of the United States people and government would be if we adopted the suggestion which is contained in this amendment and which my hon. friend has just advocated of a frankly out-and-out discriminatory policy against the United States.

Mr. GREEN: And all other dollar countries.

Mr. ABBOTT: But they do not amount to very much, I am sorry to say. It would be considered, and rightly considered, as a frankly discriminatory policy aimed at the United States. I know what I am talking about, because I have some means of knowing what the people of the United States feel about trade discrimination and I know that is how it would be considered. I hope the committee will fully realize the implications of adopting such a policy. I realize them, and I hope the committee will. The United States have been very good neighbours, and in the difficult times during the war when we were very short of essential supplies there was never any restriction placed on their exports to Canada. Export permits and export controls have never been enforced by the United States against Canada, as they have been against every other country. When hon. members stop to reflect for a moment on some of the essential raw materials we have to obtain from the United States, such as oil, steel and so on, I think they will agree it is important that the United States should continue to treat us in that way. That is something we might well bear in mind. I have, both this afternoon and before, discussed this question of discrimination and non-discrimination, and I have said that the net effect of adhering to this desirable principle will be, not to injure or diminish our imports from soft currency areas, but to increase them.

The amendment strikes right at the fundamental principle of the bill and converts it

from a bill which is non-discriminatory to a bill which is aimed directly at the United States. I want the members of the committee to realize fully what they are doing if they vote for this amendment. I say at once that I cannot accept it and the government cannot accept it. The amendment will be opposed.

Mr. MERRITT: I should like to ask the minister a question arising out of his statement. Was the minister giving the committee an expression of his own opinion when he said that discriminatory measures against the United States would have repercussions in the way of stopping all United States exports to Canada, or has he had the assurance from United States authorities that that would be the result?

Mr. ABBOTT: I have had no such assurance, but I know this without any question, that such action would be deeply resented in the United States. What action they might see fit to take in consequence I do not know. They have always treated us extremely well. But to take such discriminatory action against them is something I would not do.

Mr. MERRITT: I am reminded by the minister's statement of something that took place in this house in 1930 when Canada was facing an adverse trade balance with the United States, although in lesser degree than today. It is my understanding that at that time the Conservative party, then in opposition, were calling upon the government to take action to right the adverse trade balance in the then only known way by the imposition of tariffs. The government was unwilling to take this course, and the then Prime Minister who is also the present Prime Minister said: Oh, yes, we could take action like that, but in dealing with our great friends and neighbours to the south "we must keep cool heads." Somebody from the front row of the opposition benches called out that the right hon. gentleman "has his extremities mixed." I think we have the same situation here now. If the minister has not this assurance from an official source in the United States that the result of our taking direct measures to counteract what after all is shortage of United States dollars and not other currency, I think we have the same Liberal party attitude, the same pattern and no changing of its stripes after eighteen years. I feel sure that in our present difficulties any steps that we took which were not designed against any country for the mere sake of discrimination, but were designed to protect this country from conditions to which it has come without any fault on the part of the Canadian people, would not be resented by any right-minded people. In taking the course that he has, and in making the statements that he has made this evening, the minister is not rightly interpreting the spirit either of the United States or Canadian people.

I have been quite amazed, and I should like the minister to expand on his position in this respect. In introducing this bill, the minister gave a reason for the imposition of the special excise taxes, which may be found on page 336 of *Hansard*. I agree it was only one reason, but he said in part:

> A second reason for these taxes was to limit so far as practicable the degree of discrimination against regular suppliers in the United States and their dealer organizations in Canada. For the time being, many of these suppliers and dealers are losing a part of their business because of the unavoidable necessity of restricting imports from the United States. Regrettable as it is, we cannot help that.

I call the attention of the committee to the next words:

> But by imposing these excise taxes we are doing something to protect the legitimate long-range interests of these businesses. While the Canadian manufacturers are temporarily relieved of competition from the United States, their unexpected advantage is being at least partly offset by the effects of the special taxes.

I would have said that the Canadian manufacturers were under disadvantage now, not advantages. So much for the way the minister, in practising non-discrimination, deals with United States business which has interests in Canada. He specifically protects them. He uses the word that is so hateful to him, "protection". When he introduces this general range of legislation respecting restrictions he will protect United States business. Perhaps there is nothing wrong with that, but I would have expected that he would also take equal pains to protect Canadian businesses and the Canadian people. I would have thought he would use—

Mr. ABBOTT: The tax is against the Canadians also.

Mr. MERRITT: I would have thought that he would use them with at least as much consideration and generosity as he used United States firms.

Mr. ABBOTT: He has.

Mr. MERRITT: But on the other hand, I shall give the committee one example of how the minister looks at his duty toward the Canadian people. He protects the United States businessman. But when we were talking the other night about hothouse tomatoes and lettuce, the minister, in dealing with the restriction and refusing to give the Canadian people any lead as to how long the restriction

would be in operation, said of the measure, as reported at page 1082 of *Hansard* of February 10:

It is put on reluctantly, and anyone who expands production in a particular field, relying on the protection which is afforded by these prohibitions, must do so at his own risk.

In other words, special measures to protect the United States business. Perhaps that is perfectly all right, but surely not all right when he accompanies them with these categorical statements that Canadians must get along at their own risk.

Then again, on page 1077 of *Hansard* the minister said, and he brought this point up himself in talking about representations that had been made to him:

We realize, of course, that it has a highly protective effect; and quite a number of Canadian industrialists, or at least, Canadian producers, have suggested that many United States dollars could be saved if we would add some items to the list, and thereby stimulate production in Canada. However, thus far we have not seen fit to accede to those requests.

In another part of the same evening's debate at page 1086, the minister had this to say about the suggestion from the hon. member for York West, that deflation of the dollar would still be necessary, coupled with this program. Referring to the hon. member, the minister said:

It is true that he has been an advocate of devaluation for some time, and there are a great many people in this country who would like to see the devaluation of the dollar. They would benefit by it.

Some hon. members interjected, suggesting that that was an unworthy statement for the minister to make, and he went on and said:

Yes, they would; I know they would; make no mistake about that. There are advocates of devaluation because, among other things, it would benefit some lines of endeavour that they would be in.

His attitude throughout seems to have been one of being willing to get away from the Liberal party's doctrinaire free trade, and even to use the horrible word "protection" in respect of the United States manufacturer; but when it comes down to helping Canadian producers, in our present difficult situation to expand the production of goods in this country, to get some advantage of what otherwise must be disadvantages to all of us in Canada he says, No; it is at their own risk. They have private reasons of their own benefit for making these requests. Altogether, Mr. Chairman, not only on the ground of this question of discrimination, of stopping imports from non-dollar countries, but also on the ground of what right the minister has to ignore the interests of Canadian producers when he carefully protects the interests of United States producers, I think we should hear more from him.

The hon. member for Vancouver South has quoted the passage where the minister said that in this measure we want to set an example to the world. I want to suggest to the minister that his first duty is to the Canadian people and to Canadian business. We are in difficulties which are not of our own creation. We have no duty to set examples which will react against our own people. I want to suggest to him that he is still Minister of Finance in a Canadian government, and that we have not yet the wider form of North American government or world government which he seems to envisage by his statements to the house.

Mr. ABBOTT: I will just answer that, if I may. We are still on this protection business. I have dealt with this time and time again. The effect of imposing these prohibitions is about the highest form of protection that could be imposed. It protects the domestic producers who are behind the embargo, including the raising of vegetables or anything else. The statement that I made about these taxes and preserving to the legitimate United States exporter the market which he has had in Canada was this. It would offset to some extent the terrifically grave disadvantage under which he was placed in this market by the high protection we were giving to the Canadian domestic producer. Such offsetting protection, if one may call it that, of the United States exporter to Canada, is more than outweighed by the highly protective advantage given to the domestic producer. To say that you are protecting the United States exporter by cutting him down on a quota basis to a fraction of what he had previously and giving the Canadian producer a free and unrestricted market is a distortion of the real truth. There is no question as to the excise tax conferring protection on the United States exporter.

Mr. GREEN: You yourself used the word.

Mr. ABBOTT: How does a country prosper unless it has export and import trade? If anyone in this house will suggest that we should do anything which would unnecessarily injure the normal flow of trade between our two countries, he has a political philosophy which is completely different from my own. This afternoon a number of hon. members were urging the view that we were foolish in cutting off imports. The hon. member for Swift Current was urging that we should remove some of these prohibitions and should

let in some of these refrigerators. You cannot have it both ways in these things. To suggest that this policy is one which shows I have just forgotten the exact language my hon. friend used—that I am thinking of world government, international government—

Mr. JACKMAN: North American.

Mr. ABBOTT: —North American or something that is other than a Canadian government is, to use a word I have had occasion to use before in this debate, just nonsense.

Mr. MERRITT: I wish to follow this up one step further. To my mind, this is not just simply a question of a bill that goes through this house like amendments to the National Housing Act or other important measures. What we are hearing from the minister now is a new statement of Canada's trade policies, and it is important that we should fully understand where this government is leading us by these new ideas which have never before been introduced in this house.

Mr. ABBOTT: There is nothing new at all.

Mr. MERRITT: I would ask the minister this question. According to his own statement, he has taken steps to protect, for the duration of these emergency exchange restrictions, what he calls the legitimate interests of the Canadian manufacturers.

Mr. ABBOTT: Yes; because we have taken them away in the same bill.

Mr. MERRITT: Yes, I quite understand that.

Mr. ABBOTT: We are trying to let them keep a little of what we have taken away from them.

Mr. MERRITT: I quite understand that he has taken much away in the same bill.

Mr. HOWE: You will never get him to understand.

Mr. ABBOTT: I suppose not, even though I talked all night.

Mr. MERRITT: He has taken much away in the same bill. In these measures he has taken what steps he could to soften the blow upon United States businesses. He himself used the word "protect" in relation to the action he has taken in that respect. By this bill you are taking away from Canadian manufacturers their normal trade as well. You are stopping a lot of them from importing from the United States goods which for a long time they have been accustomed to import. But when it comes to protecting them against what you are doing to them in this bill the minister says, that is a business risk you must take yourself. He has no help to give in the bill and no advice to offer to Canadians, even as to how long these restrictions will remain in force. We have tried to get from the minister a statement of how long he thinks these restrictions will be in force, because we think it will be useful and will soften the blow upon Canadian businessmen. They can then make up their own minds as to what they are going to do. But the minister tells us that he cannot make any forecast at all. Yet the other night the Minister of Trade and Commerce was in Halifax speaking just when this same point was up before the committee. He had no hesitation at all in giving a forecast. He gave his well-known forecast that the restrictions would last for only a few months, if he was correctly reported in the press. One of these ministers has an idea how long the restrictions will continue, namely, a matter of months, and the Canadian businessman could make up his mind on the basis of that statement. The other minister says that he has no forecast; it may be longer; it may be a very long term. I say that one of them, Mr. Chairman—

Mr. ABBOTT: I did not say so.

Mr. MERRITT: —is teasing the Canadian people. "Teasing" is the only word I can think of that correctly describes the situation. Suppose it should happen as the hon. member for York West suggested to this house. Suppose it should happen that these restrictions had to remain in force, not for months, as the Minister of Trade and Commerce says, but for years, as was suggested by the hon. member for York West, who has been right several times over these matters.

Mr. ABBOTT: He is a great fellow.

Mr. MERRITT: Is the situation to be that for all those years the United States businessman who has present connections in Canada is to have his market protected for him?

Mr. ABBOTT: He will have it restricted.

Mr. MERRITT: Is he to have it held open for him during these restrictions, while for all these years the Canadian businessman will not be able to go into any one of these businesses, may not be able to continue in his present business, or may have to change the very basis of his business, not just because of the restrictions, but because the restrictions are on and the minister will not tell him when they are likely to come off?

Mr. ADAMSON: The restrictions are a secret weapon.

Mr. MERRITT: The minister talks of this measure as a highly protective measure—

Mr. ABBOTT: Protectionist.

Mr. MERRITT: —or a highly protectionist measure. I ask you, Mr. Chairman, and I ask the members of the committee what protection there is for the Canadian businessman and the Canadian people who are in complete and absolute uncertainty as to what the protective measures are. There is no protection at all in such a measure.

Mr. ABBOTT: There is protection on both sides.

Mr. MERRITT: I can only suggest to the minister that he forget for a moment his doctrinaire ideas about free trade—

Mr. ABBOTT: I will try to.

Mr. MERRITT: —or at least the doctrinaire ideas which have been followed by his party ever since confederation.

Mr. McILRAITH: To the great advantage of Canada.

Mr. KNOWLES: They have never followed the idea.

Mr. MERRITT: I suggest that he realize that this bill is not in any sense a protectionist measure for Canadian businessmen. It is a means by which many Canadian businessmen may be destroyed. It is a means by which many Canadian businessmen have been destroyed.

Mr. CRUICKSHANK: May I ask the hon. member a question?

Mr. MERRITT: Certainly.

Mr. CRUICKSHANK: I want to ask the hon. member for Vancouver-Burrard exactly what protection he desires turtles to have.

Mr. MERRITT: I do not want to say any more on this point at this moment, but I do not want to let pass unchallenged the statement of the minister that this is a protectionist measure for Canadian business. It is not. It is a destructive measure. I want to suggest to the minister and the government that, in following this principle of non-discrimination, particularly when, as has been pointed out many times, it is not necessary even under the Geneva trade agreements to practise full non-discrimination, he is doing more harm to the Canadian people than that which necessarily had to follow the moment restrictions like these were brought in. When the economy of the country is being placed so thoroughly in the hands of the Minister of Finance and the Minister of Trade and Commerce, as is done by this bill, the sort of statements made by the Minister of Finance throughout the debate do not give me any assurance of a measure which will be of any assistance at all to the Canadian people. I think he needs a major change in his outlook on these matters if we are to have this measure administered in such a way as to do the Canadian people the least possible harm.

[Mr. Adamson.]

Mr. ABBOTT: I wonder if the committee is ready for the amendment, Mr. Chairman. I have said I cannot accept it.

Mr. GREEN: Do not hurry; take your medicine.

Mr. ABBOTT: Oh, gladly; from you and a lot of others.

Mr. REID: I have been waiting for over fifteen minutes, so that there is no favouritism being shown me now. My purpose in rising is to answer an argument advanced this evening by the hon. member for Vancouver South. I thought he made it plain that one of his main arguments against this measure and in favour of the amendment was that the legislation was directed not only against United States trade but also against trade with Great Britain; and he suggested that if we on this side voted for the amendment that would free trade as between Canada and Great Britain, and that this measure would then be directed solely against the dollar countries.

Mr. GREEN: I am sure the hon. member does not want to be unfair. I said it covered all the soft currency countries. Great Britain is, of course, the principal country; but it covers also Australia, France, Belgium, Holland and other countries.

Mr. REID: But you said you could not see a member on this side standing up and voting for the amendment, which drew the retort from one of the ministers—I did not say it—that you were waving the flag in regard to the triangle formed by Canada, the United States and Great Britain.

Mr. GREEN: I did not hear that interruption, or I would have dealt with it.

Mr. REID: You wanted this bill to deal directly with the United States and not to bring the United Kingdom within the provisions of the schedules. There might be something to that argument if we did not have the schedules before us. I would just ask the committee to look at the bill. There are three schedules. The first is the prohibitory schedule; the second sets out the items which may be imported under quota, and the third covers those coming under permits. So it can be reasonably assumed that under schedules

II and III certain goods will be allowed to come from Great Britain and the United States, under quotas and permits. But look at schedule I and see what it deals with. You will see that we are prohibiting the importation of such articles as tea, coffee, oysters, turtles, which were mentioned by the hon. member for Fraser Valley; maple syrup, grapes, melons, fruits. Then you get on to tarred paper, sandpaper, roofing shingles. Then you go along to candles, perfumery, licorice. If you look over the schedule you will see that very few of the articles enumerated in schedule I come from Great Britain. I doubt if the trade between Canada and Great Britain in any of these prohibited articles would amount to very much. Look at the items. They include planks and boards and plywood; fruits of all kinds; grapes; frozen vegetables, and so on. It seems to me most of these articles come from the United States, and that Great Britain would not be losing any trade because of these prohibitions.

I rose because the inference I took from the remarks of the hon. member for Vancouver South—and I think it was more than an inference—was that schedule I was directed not only against the United States but also against Great Britain; and the hon. member went on practically to challenge us on this side to vote against the amendment proposed by the C.C.F. I just draw these facts to the attention of hon. members on this side; and I would ask hon. members opposite to tell us how many of the articles listed in schedule I would be brought to Canada from Great Britain.

Mr. FLEMING: In his remarks a few moments ago, following the hon. member for Vancouver South, the Minister of Finance submitted what I thought was the most extraordinary argument in support of this extraordinary measure that one could expect to hear in this house, even coming from the government side. I wish to deal with that argument for just a moment.

The minister was talking about discrimination, harmful discrimination of the kind that will give offence to our cousins south of the border. I should like to ask him, where did this idea of discrimination begin in respect of this program? I say it began right in the government's order in council P.C. 4678; and yonder to your right, Mr. Chairman, are the exponents of government by order in council. Look what they have done here. They drew a distinction in this order between the scheduled and the non-scheduled countries. They themselves drew the line of distinction as between the hard currency countries on the one hand and on the other, the countries other than hard currency countries. It is not simply the United States, as the Minister of Finance has said. The others may not bulk so large in our total trade, but the line was drawn on the basis of hard currency.

What the Minister of Finance had to say was this, and to me it was an extraordinary argument. He said, "Now, do not remove from this bill the harm that it will do to our trade with countries outside the hard currency countries." It is not just Britain. It is Britain; it is the commonwealth and France and many other countries in the world, countries with which we want to trade. What does he say? He says, "Do not remove from this bill the harm it will do these other countries, because if you do you will give offence to the United States."

Mr. ABBOTT: It does not do them any harm; it helps them.

Mr. FLEMING: To confine the application of this bill to hard currency countries will not do the United States one particle of harm. The harm which is done to United States export trade is done in the bill, just as it was done in P.C. 4678; and to confine that harm, that reduction in export trade, to countries in the hard currency area will not hurt the hard currency countries one whit more than they are being hurt right now.

Beyond that, far from increasing the burden this bill is imposing upon imports from the United States and other hard currency countries the sort of proposal we on this side of the house are supporting, which would confine the effect of the measure to the hard currency countries, actually would help the United States. How is the United States to be helped, the position of international trade being what it is today, unless we do all we can to help to revive those countries in the soft currency areas? Will the Minister of Finance say that it will be of some help to the United States, that it will appease feeling in the United States, for us to apply import restrictions against Great Britain, against other commonwealth countries, against France, against Scandinavian countries, against other countries in Europe and in South America?

One of the fundamental lines of United States policy today is to help these countries to rebuild their economies. Yet the minister says we shall offend sentiment in the United States by trying to undo now, in this amendment, the harm that this measure would do to soft currency countries. The minister's argument does not hold water; it contradicts itself.

The United States is contemplating a European recovery program; a figure of $17 billion to $20 billion is talked about, that the United States is preparing to put into Europe, to rebuild those countries; and Canada at the present time is being asked by the Minister of Finance to impose hardship on those countries when they try to get their goods into the Canadian market.

An hon. MEMBER: Nonsense.

Mr. FLEMING: He is. It is right in the bill; and if you cannot read it there, you cannot read anything. Not only will the kind of proposal we are making on this side of the house, which is to confine the effects of this measure to hard currency countries, do no harm to the United States, but it will actually help the United States.

And in the next place, it will help us.

Mr. ABBOTT: Would my hon. friend permit a question?

Mr. FLEMING: You are trying at the present time to help those countries by giving them credits. We do not know in many cases whether or not we shall be repaid. But, Mr. Chairman, surely it would be the part of common sense to take from those countries at the present time what they are in a position to send to us, struggling as they are to build up their export trade.

What country in the world has a bigger stake in the rebuilding of the export trade of Great Britain, France, the Scandinavian countries and other countries in the soft currency area than has Canada? What country has a greater stake? None. It means a great deal to Canada right now to help those countries in every way possible to increase their export trade. That is the only way, under present conditions, that we are going to help to get ourselves paid.

The kind of treatment the minister is proposing does not simply harm the United States and harm these other countries. It is harming a great many Canadians right here at home. Let me give one or two examples. I am thinking of two young returned soldiers in Toronto who took everything they had in the world, including their re-establishment grants, to establish here an agency for the importation of a certain line of French goods, based upon contacts that those veterans had made when they were fighting in France. What happened? What will happen now? This bill, simply because the Minister of Finance blindly follows the fetish of non-discrimination, will completely ruin the business of those two young veterans. Will any man in his right senses stand in this House of Commons and say that will help the United States?

Mr. Chairman, I could give you dozens of examples of other veterans and other Canadians who have established import businesses in Canada for the purpose of importing goods from Great Britain, from the commonwealth countries and from other countries in Europe—soft currency countries. What is happening to them? They are being ruined. Their businesses are being completely ruined by this measure. Why? Will that bring help to the United States? Of course it will not. Will that appease sentiment in the United States? —to ruin the businesses of these Canadian importers, and to reduce imports from these soft currency countries which so badly need to export today?

Well, if that is the kind of sentiment the Minister of Finance imputes to our cousins over the border, then I say to him and to the committee that he insults the intelligence of the people of the United States.

This situation with which we are confronted, which is embodied in the arbitrary and dictatorial measures in this bill, is a situation brought upon this country by a government that was blind and impotent. What they are doing today, now, is not simply to encompass further ruin of the Canadian people; rather, by making such a stupid fetish of this talk of non-discrimination, they are doing untold damage to our relations with trading nations elsewhere in the world, with which in the future we are bound intimately to be connected, if there is to be any hope of economic revival in the world.

Two wrongs do make a right; and the Minister of Finance does not make this bill one whit more acceptable to the house or to the Canadian people by extending the harm that it does to the soft currency areas, as he is doing to the hard currency areas. The more one hears the government trying to support this measure, the more one is convinced that the whole thing is a priceless example of economic lunacy.

Mr. CRUICKSHANK: Mr. Chairman, I shall be brief, because it does not require much to meet what has been said by the hon. member. My voice is not good tonight, but the hon. member does not require much answering. He has absolutely proven the need of the bill by the speech he has just made. Long before I came to this parliament I heard about "no truck or trade with the Yankees." I heard about "blasting our way into the markets of the world."

Mr. FLEMING: You are trying to blast your way out of it.

Mr. CRUICKSHANK: I can talk just as long as you can, and I can wave my arms just as long as you can. After having listened to that speech from one of the heirs-apparent to the leadership of the opposition, I can only say that in this party we have a great deal more difficulty in aspiring to leadership because we are all heirs-apparent. Over there they change their leadership every six months. So my hon. friend may yet have some hope.

The speech he made just now was a wonderful speech for isolationism. I believe I can understand this bill, and particularly item 109 in schedule I, one of the prohibited items: "Nuts of all kinds". We do not need nuts in Canada; we have them here now.

Mr. JACKMAN: If they are shelled they are all right.

Mr. CRUICKSHANK: The day before yesterday I heard the hon. member for Rosedale read for forty minutes that great thesis from the Toronto stock exchange. Listen just for a little while to the common people of Canada on the other side of the track—which I know you would not understand.

I want to ask my hon. friends from Toronto if they have read item 92—you people, who are going to blast your way into the markets of the world and who are going to have no truck or trade with the Yankees.

Mr. MILLER: Have you done anything for your voice tonight?

Mr. CRUICKSHANK: I ask my hon. friend from Manitoba if, after reading tonight's paper—which was not so gratifying to the Toronto stock exchange—the policy of the Minister of Agriculture with respect to wheat has not proven to be the correct one for the people of Canada.

Mr. SKEY: Are you supporting him for leadership?

Mr. HARTT: The same as the Tories are supporting you.

Mr. CRUICKSHANK: Much as I appreciate the help from Montreal, I do not need any assistance in handling Toronto.

As I said before, we have gone for twenty years with one leader; we do not change every six months. You are all fighting over there now, including the hon. member for Stanstead, to make sure that you will be in the running. I understand that there are four in the running now.

Mr. MANROSS: We are not in the trouble you are about our leader.

Mr. CRUICKSHANK: You change them every six months.

Mr. MANROSS: We have one now.

Mr. CRUICKSHANK: It is only such measures as the one being brought in now by the Minister of Finance that have enabled British Columbia to dispose of her products. We are paying sixteen cents a quart for milk, and nobody emphasized that price more than the party over there. The hon. member who has just spoken does not say anything about eight cents for a bottle of coca-cola.

Mr. MANROSS: No advertising; do not use trade names.

Mr. CRUICKSHANK: Just let me take care of the berries.

Mr. MANROSS: I will take care of the pop; you take care of the berries.

Mr. CRUICKSHANK: I believe that, because all you do is to pop up over there.

Mr. MANROSS: I will take care of pop and mom too.

Mr. KNOWLES: Get back to the nuts in the shell.

Mr. CRUICKSHANK: I presume the hon. member for London knows all about kumquats. I do not even know what you do with them. I presume they come from Ontario.

Mr. MANROSS: How do you spell that?

An hon. MEMBER: This is not a kindergarten.

Mr. MANROSS: What are you doing here?

The ACTING CHAIRMAN (Mr. Bradette): I ask hon. members kindly to remain silent while another hon. member is speaking.

Mr. CRUICKSHANK: I shall be serious now because I have had fun with hon. members over there. They have been talking all night and have said nothing. We in British Columbia do not believe that, in connection with the disposal of our crops, we can depend upon the Marshall plan. We believe that a friendly government in the United States will be of material assistance to the province, but we believe also that it is only through such legislation as this bill that we can have any hope of disposing of our future crops. We realize the foreign exchange situation and that we as Canadians must do our part. I as the member for Fraser Valley believe that it is our only hope at the present time with the emergency situation we now face.

Mr. ARGUE: When the minister was dealing with the amendment a moment ago he stated in no uncertain words that he was opposed to the principle of the amendment which would permit discrimination. As I understood him, he gave as his reason that Canada was greatly dependent upon the United States for such things as oil, structural steel and one other item which he mentioned but which I could not get.

Mr. ABBOTT: Cotton. There are a dozen or more essential commodities.

Mr. ARGUE: I am admitting that Canada is dependent upon the United States for a great many commodities.

Mr. ABBOTT: And they are in short supply in the United States now.

Mr. ARGUE: I think the minister will agree that under the Geneva trade agreements, the basis of which is non-discrimination, Canada as a signatory is allowed to discriminate under certain conditions until January 1, 1949. I believe that the United States believes in non-discrimination and will live up to the Geneva trade treaties. I should like to know how the United States can discriminate in connection with the export of certain things to Canada, things that are essential to us.

Then I have another question. The minister implied that the United States was giving Canada some special favours. How can Canada be given special favours by the United States if that country is living up to the Geneva trade agreements which say that no exporting country can discriminate? If the United States is giving special favours to Canada, then that would be discrimination against other countries.

Mr. ABBOTT: That is very easy to answer. The United States or any other country is free to impose export controls; they have them now in the United States, but they are not enforcing them against Canada. We have export controls on feed grain which we are enforcing against the United States. For certain reasons the United States is not enforcing her export controls against Canada with respect to steel and oil. She is entitled to exercise those controls under the Geneva and other agreements.

Mr. ARGUE: Would you say that is discriminatory?

Mr. ABBOTT: It all depends upon how one defines "discriminatory". Under the Geneva agreements, one is not permitted to pay export subsidies, and the United States are not paying export subsidies. However, one is permitted to exercise export control over commodities in short supply in the country of origin, and that is what the United States are doing today. However, they are not exercising those export controls against this country and never have done so.

There is one other feature I did not touch on in discussing this matter. This is only my personal opinion which may or may not be shared by others, but I feel that, while the European recovery plan is under discussion in congress, which is a far-reaching and generous plan on the part of the United States and which we understand contemplates the use of the United States taxpayers' money to purchase supplies in other countries, it would be most unfortunate if her next door neighbour were to adopt a discriminatory policy against her.

Mr. IRVINE: It is warmer in the chamber this evening than it was yesterday afternoon, and there is a little more humour. Both of these conditions appear to be welcomed on all sides because they help to break the monotony. I am glad to feel so much heat and see so much interest and hear so much humour. During the debate tonight on the amendment, I think some of those who have defended the amendment and some who have opposed it have gone farther than the case warrants.

I wish to say a word in favour of the amendment, but I want to say also that I am not a preferentialist. I think there are some good principles embodied in the Geneva treaties which were signed by twenty-one nations. There are in those treaties certain general principles with which I think this committee agrees. We believe in multilateral agreements. The more multilateral they can be, the better. But there are realistic positions that have to be taken into consideration. The agreement itself and those who drafted the agreement recognize that a country like Canada might find itself in a position where it had to protect its currency, and so provision was made for that very purpose so that until a certain date in 1949 we could take advantage of the discriminatory clause.

All that we are saying in this amendment is that we want to take advantage of that discriminatory clause which was put into the Geneva agreement, and thus we are not violating its principle. We are simply taking care of our own people and protecting our own interests in the best way we possibly can.

As has been pointed out, I think very ably by the hon. member for Eglinton, such a policy need not and, I believe, would not

affect our relationship with the United States one little bit. If it did, it would not be to the credit of the United States. Most decidedly if their dollar was in jeopardy or their exchange was in the position of ours they would not hesitate for one moment—and I do not blame them—to take advantage of the discriminatory clause. We are merely asking that, because we are banning certain goods from the United States under certain conditions, we shall not ban those goods from Britain or from the dominions or from any other country that might want to supply us with them. By so doing, we would make it possible for the people of Canada to secure from Britain and the dominions the goods we have found it necessary to ban from the United States. In the second place, we would improve our exchange position with the United States, and ultimately perhaps would have more to expend in the United States and might shorten the period for which this legislation is necessary, assuming that the government's predictions are correct that it will be only a temporary measure. But may I say that I doubt its temporary character.

I am one of those who believe that, whether we like it or not—and we are not blaming the government for this—the world situation is such that there may be a reorientation of the whole business of international relationships and international trade, and what we think today may be only for a brief duration of a month or two may be merely the beginning of a long period of very much different relationships among the nations of the world in matters of trade.

And so, having in view, in the first place, the needs of our own people in respect of goods, and having regard, in the second place, to the actual financial problem with which this nation is confronted, I and those on this side who support the amendment cannot see what harm could come to our relationship with the United States by adopting the amendment. But we can see that great good can come to this country and to other countries in Europe which might be glad to make exchanges with us. So I urge the government to accept the amendment, and if they will not accept it I hope we shall be able to carry it anyway, and thus materially improve the legislation which the government is proposing.

Mr. FULTON: Mr. Chairman, dealing with the amendment on its merits, I should like to reply to the arguments advanced against it by the Minister of Finance and the hon. member for New Westminster.

In opposing the amendment, the Minister of Finance based his argument almost entirely on the premise that to adopt it could be interpreted only as being directly discriminatory against the United States. That, to my mind, is losing sight of the main purpose of this legislation, which is that Canada is suffering from a shortage of United States dollars—that is not our fault—and in taking steps to relieve that shortage is not discriminating against the United States, but in essence is trying to protect our own position.

But what it seems to me is discriminatory and directly discriminatory, is to go on from there and say that, because we have to take measures to restrict our imports from the United States, we shall also apply those measures to the other countries of the world. That is discrimination against the other countries of the world, whereas the original measure, which apparently was acceptable to the United States, is not discriminating against them, because in essence it is something that was simply forced upon us to protect our own position. If, then, the United States are willing to accept the fact that we have to impose an embargo on trade with them it seems to me that they will not ask that we do the same thing which would hurt our trade with the rest of the world in the same way that we hurt our trade with them. If, as the minister says, they are good neighbours and realize our difficulties and have accepted the fact that we are reluctantly compelled to do this, they would not say: Then you must do the same thing to the rest of the world that you are doing to us. That, I am certain, is not the position which the United States would take, as the minister suggested to justify the stand which the government has adopted as a result of its doctrinaire belief in the policy of non-discrimination. It cannot be interpreted in any other way.

The hon. member for New Westminster advanced, I think, a more cogent reason against accepting the amendment if his argument had been correct, but it was not correct. He dealt with the suggestion of the hon. member for Vancouver South that the embargoes contained in the bill are damaging to our trade with the United Kingdom. The hon. member for New Westminster said: Let us look at schedule I; and the hon. member for Fraser Valley did the same thing. They picked out a few items such as turtles and nuts in the shell and out of the shell, and so on. Of course it is a very easy thing to pick out three or four items from a schedule of eight pages and say: These articles do not come in here from the United Kingdom and therefore this bill will not hurt our trade with

the United Kingdom. But if you will look at schedule I a little more carefully and compare its items with the goods which the United Kingdom is prepared to supply, it is obvious that this bill would damage our trade with the United Kingdom and the British commonwealth extensively. I should like to name just a few articles.

On December 11 the British government published a list of articles which it was prepared to supply in quantity to Canada in 1948. They include lighting fixtures, office furniture, domestic laundry machines, refrigerators, movie projectors, electric clocks, camera and photographic accessories, domestic electric appliances—all substantial articles covering a wide variety of trade. These are the articles which the United Kingdom is prepared to supply to Canada in quantity in 1948.

Schedule I contains a list of goods the importation of which is prohibited, and at the bottom of page 9 you will find this item: kitchen or household hollow-ware. There is a category of kitchen articles. On page 10 of the bill appears "refrigerators, domestic or store, completely equipped or not; motion picture projectors for use with films; lamp shades and shade holders; electric light fixtures or parts." Then two-thirds down the page a whole category of electric appliances, domestic electric appliances such as are covered in the list that the United Kingdom is prepared to supply. On page 11 of the bill, still in schedule I, item 519 is as follows, "house, office, cabinet or store furniture of wood, iron or other material", and so on. These are not items of trade lightly to be dismissed as the hon. member for New Westminster and the hon. member for Fraser Valley tried to dismiss them. They are substantial items of trade. They are not like nuts or turtles or anything else one wishes to name. They are items of importance to the United Kingdom, which is striving so earnestly to increase her exports to us, and which we should be encouraging to increase its exports so that we might enable it to pay us in dollars for what we must sell to it.

This situation is one which has been forced on us by circumstances; and if, as the minister says, the United States is willing to recognize our position, and not to hold it against us then—and I repeat the argument put forward by the hon. member for Vancouver-Burrard—the minister's first duty is to the people of Canada. His first duty is to minimize—

Mr. ABBOTT: That is what I am trying to do in proposing a non-discriminatory bill.

Mr. FULTON: That is exactly what the minister is not doing in proposing a non-discriminatory bill. He calls it a non-discriminatory bill, but that does not make it so. Actually it is a discriminatory bill, unnecessarily discriminating against the commonwealth countries, France, Belgium, The Netherlands, Luxembourg, the Scandinavian countries, and all the other countries in the soft currency areas which need not be included in this bill. It is discriminatory against them, and to that extent it is unnecessarily injurious to the Canadian people and the Canadian economy. If the minister and hon. members opposite would see the matter in that light, which is a logical approach to the question, and if, as he says, and as we believe, the United States is realistic about the matter, then it could easily be seen that the amendment proposed by the hon. member for Kindersley is acceptable. It is simply making what is otherwise an unnecessarily cumbersome and harsh piece of legislation into a good, workable and realistic piece of legislation.

Mr. ABBOTT: Would it be possible to put the amendment tonight?

Mr. GREEN: No.

Mr. McMASTER: Sitting on this side of the house, I cannot speak for the policy of my party. I can follow the policy of the party when we come to one. So far as I know, the policy of this party has never been to uphold this amendment. I believe it would be a mistake if this amendment were to carry. It seems to me that there is no particular reason why it should carry. This is a bad bill. I spoke about it when it was up for second reading, and this amendment will not make a bad bill any better; I think it will make it far worse. The effect of this amendment will be to do something that will be injurious to us as a country. I can only wish that the debate which has taken place in the last two hours had not taken place at all.

Somebody spoke about what happened in 1930. The year 1930 is not a long time ago so far as I am concerned; it is comparatively recent history, but a great many things have happened during that time. So far as I am concerned, I will oppose the amendment.

Some hon. MEMBERS: Question.

Mr. BENTLEY: No, Mr. Chairman. I do not see any reason why this vote should go through tonight.

Mr. ABBOTT: We are just on the amendment. We are not asking that the section be passed tonight. Why cannot we vote on the amendment tonight?

Mr. BENTLEY: Because we hope some day the minister will give up his self-opinion and bow to the will of the majority of the people of this country.

Mr. ABBOTT: This will not be one of the cases.

Mr. ST. LAURENT: Let us find out where the majority is in the committee.

Mr. BENTLEY: There have been a lot of interjections from the other side of the house. Some of them have been quite unfair. The Minister of Trade and Commerce deliberately refused to give some information to the hon. member for Winnipeg North Centre. He then threw across the house the statement that he was just flag waving again. Is there anything wrong with flag waving in this connection? If a flag is the symbol of nationhood, and if we have any pride in our nation, is it not better to stand on our feet than to go down on our knees to somebody?

I do not know whether the United States want this or not, since some people say they do not and others say they do. But from appearances, this is influenced by the United States. I think the minister is heavily influenced by them in this matter, and to me it can be reduced just as simply as this. An individual owes money to his storekeeper. He has not been able to pay his bill because of some circumstances in his business that cut down his earning power. He goes to the storekeeper and says, "I owe you more money than I can pay for some time; therefore I will have to cut down on my purchases from you." The storekeeper would simply say, "Certainly you will have to do that", and it would be an amicable agreement. But if the individual who owed the storekeeper money was associated with some other person who owed him money and had some goods that the debtor of the other storekeeper could use, and the merchant to whom the individual owed money were to say, "If you do not buy from me you cannot take anything in payment from another person," I would say that that would be an unfriendly act on the part of the merchant who was the creditor of the original person of whom I spoke. Mr. Chairman, would you call eleven o'clock.

The ACTING CHAIRMAN (Mr. Bradette): I am in the hands of the committee.

Some hon. MEMBERS: Eleven o'clock.

Mr. ABBOTT: Has my hon. friend much to say on that?

Mr. BENTLEY: I do not know.

Mr. ABBOTT: The hon. member is not ready to vote on the amendment?

Mr. BENTLEY: No.

Progress reported.

BUSINESS OF THE HOUSE

Mr. ST. LAURENT: As the Prime Minister announced, and as was agreed to, apparently by all hon. members, tomorrow we shall revert to the debate on the address.

Mr. GREEN: May I ask the Secretary of State for External Affairs or the Minister of Veterans Affairs when the motion to set up a special committee on veterans affairs will be moved? Will it be tomorrow?

Mr. ST. LAURENT: No, that will not be tomorrow. The arrangement that was made was that we would revert to the debate on the address tomorrow, and we cannot do more than one thing at a time.

Mr. GREEN: I know that. May we have any idea when that motion will be put to the house?

Mr. ST. LAURENT: If the house were prepared to have the motion adopted as a routine motion without any debate it could be put at once; but the information we have is that some hon. members desire a debate, and a debate which may be quite protracted. We shall have to consider when time can be made available for that debate.

Mr. GREEN: The minister cannot say tonight?

Mr. ST. LAURENT: No, I cannot say tonight when there will be an opportunity for that debate, because there was some hope that the debate on the address in reply to the speech from the throne would be concluded next week and that we could then take up something else. I can assure the hon. member that the motion to set up that committee is one which is looked upon as having a high degree of priority in the business to be dealt with.

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

HOUSE OF COMMONS

Friday, February 13, 1948

The house met at three o'clock.

THE MINISTRY

CERTAIN POWERS OF MINISTER OF TRANSPORT TO BE EXERCISED BY MINISTER OF RECONSTRUCTION

Right Hon. W. L. MACKENZIE KING (Prime Minister): I wish to table copy of order in council P.C. 529 of February 10, 1948, passed under the authority of the Public Service Rearrangement and Transfer of Duties Act, relative to certain powers of the Minister of Transport to be exercised temporarily by the Minister of Reconstruction and Supply.

HUMAN RIGHTS

INTERNATIONAL BILL OF RIGHTS—APPOINTMENT OF COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Perhaps at this time I might answer a question asked yesterday by the hon. member for Lake Centre (Mr. Diefenbaker), as follows:

Has Canada made any recommendations as yet to the united nations with respect to the composition of the international bill of rights, or with respect to any rights which should be included therein?

At the time my hon. friend asked the question I had not noticed that there was a question much to the same effect already on the order paper, asked by the hon. member for Winnipeg North Centre (Mr. Knowles), which reads:

1. Has a copy of the international bill of rights, which was approved by the commission on human rights at its meeting in Geneva, been received by the Canadian government?

2. Has Canada been asked for comments on this international bill of rights before it is submitted to the general assembly of the united nations?

3. Have such comments been given?

4. If so, what is the nature thereof and will parliament be given an opportunity to express itself on this matter?

I can answer both questions at the same time, as follows: Canada is not a member of the commission on human rights which was charged by the economic and social council of the united nations with responsibility for drafting an international bill of human rights. The government, therefore, has not had occasion to consider the draft.

The international bill of human rights has recently been formally submitted in draft form to member governments of the united nations for their comment. It is the intention of the government to have the draft referred to the joint parliamentary committee on human rights and fundamental freedoms for its consideration, when the committee has been set up.

Mr. DIEFENBAKER: May I ask a supplementary question? Have any of the provinces made representations to the dominion government against the acceptance of any of the principles embodied in the international bill of rights?

Mr. MACKENZIE KING: I am informed that the Minister of Justice has been in communication with the attorneys general of the provinces, but I am not able to say at the present time what answers the minister has received. Perhaps I might direct the attention of the Minister of Justice to the hon. member's question, and have it answered later.

HYDE PARK AGREEMENT

STATEMENT IN REPLY TO REQUEST FOR TABLING OF AGREEMENT

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, on February 3 the hon. member for Swift Current (Mr. Bentley) asked a question about the Hyde Park agreement. At that time he asked if there were any details about it unknown to parliament. I answered immediately that I was not aware that there were any, and that the Hyde Park agreement had not been set out in any document other than the communication to the press of April 20, 1941, which had been tabled in parliament.

Since that time there has been an exchange of notes between the government of the United States and the government of Canada in May of 1945, which I think I should table,

so that hon. members may have not only the details relating to the Hyde Park agreement itself, but anything that has flowed out of the agreement since that time.

As a result of the Hyde Park agreement, joint economic committees were formed, composed of interested officials of both countries, the function of which was (1) to achieve more efficient utilization of the combined resources of the two countries in the production of the defence requirements; and (2) to reduce post-war economic dislocation consequent upon the changes which the economy in each country had undergone. The joint economic committees were set up on the Canadian side by orders in council P.C. 4500 of June 20, 1941, and P.C. 7227 of October 4, 1941. While these committees were successful in achieving their first object, little progress was made in regard to the second, and by mutual agreement they were dissolved in 1944, Canadian action being taken by P.C. 2586 of April 11, 1944, following an announcement made to the press on March 14, 1944.

A year later, on May 7, 1945, a note was received from the United States embassy proposing that the general principles of the Hyde Park declaration be continued on a fully reciprocal basis for the remainder of the war and that the same spirit of co-operation between the two countries should characterize their treatment of reconversion and other problems of mutual concern as the transition to peacetime economy progresses.

In our note of May 15, 1945, the Minister of National Defence, who was then the Acting Secretary of State for External Affairs, replied welcoming the assurance of the government of the United States that it would continue to deal with the problems of the transition from war to peace in the spirit of the Hyde Park declaration. Further, it was stated that the government of Canada, on its part, desired to assure the government of the United States that the same spirit of co-operation which was manifested in the Hyde Park declaration would characterize the Canadian government's consideration and treatment of the problems of the period of transition which are of mutual concern.

At the instance of the United States, publication of these notes was withheld at the time, although the substance of the understanding evidenced by the notes was communicated to the press in Ottawa and in Washington on May 21, 1945. From then until last October the notes were treated as confidential; but in response to a request from the United States Department of State permission was granted by Canada in October last that they be released to the United States Senate small business committee. And I understand that they have since been published in the United States.

I should like to table them. Perhaps it would be convenient to hon. members if they were printed as an appendix to *Votes and Proceedings* so that they may have the exact terms. If that is agreeable to hon. members I would ask that that be done.

Mr. SPEAKER: Has the minister leave of the house to table these documents?

Some hon. MEMBERS: Agreed.

Mr. SPEAKER: And is it the pleasure of the house that these memoranda be printed as an appendix to *Votes and Proceedings*?

Some hon. MEMBERS: Agreed.

Mr. DIEFENBAKER: I should like to ask a question arising out of the tabling of the exchange of notes in May, 1945, regarding the Hyde Park declaration. Is it a fact that as a result of these notes the United States is now precluded from placing an embargo on oil or steel or coal so long as the Hyde Park declaration is in effect?

Mr. ST. LAURENT: I was advised many times from the other side, even when I was Minister of Justice, that I should not venture to express any legal opinion in the house.

Mr. DIEFENBAKER: I am not asking for any.

Mr. ST. LAURENT: The notes have been tabled and the house has agreed that they be printed as an appendix to *Votes and Proceedings*. I think the hon. member will wish to draw his own conclusions from the terms of those notes.

Mr. DIEFENBAKER: It all depends upon what the intentions of the government were. The minister should know.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 11, to amend the Dominion Water Power Act.—Mr. Glen.

Bill No. 12, for the relief of Florence Joyce West Shannon.—Mr. Maybank.

Bill No. 13, for the relief of Alice Cecilia Anne Magniac Bailey.—Mr. Maybank.

Bill No. 14, for the relief of Valerie Jean Lewis Samson.—Mr. Maybank.

Bill No. 15, for the relief of William Neville Buckingham.—Mr. Maybank.

Bill No. 16, for the relief of Marguerite Elsie Dunan Currie.—Mr. Maybank.

Bill No. 17, for the relief of Ellen Catherine Holder.—Mr. Maybank.

Bill No. 18, for the relief of Doris Amy Peate Taylor.—Mr. Maybank.

Bill No. 19, for the relief of Kenneth Elliott Mitchell.—Mr. Maybank.

Bill No. 20, for the relief of Margaret Craig Carmichael Nicholson.—Mr. Maybank.

Bill No. 21, for the relief of Hilda Emily Brown.—Mr. Maybank.

Bill No. 22, for the relief of Joan Ruth Grimble Campbell.—Mr. Maybank.

Bill No. 23, for the relief of Raymond Masse.—Mr. Maybank.

Bill No. 24, for the relief of Barbara Mary Day Duffy.—Mr. Maybank.

Bill No. 25, for the relief of Joseph Dunn.—Mr. Maybank.

Bill No. 26, for the relief of Rena Victoria Rabin Wolfe.—Mr. Maybank.

Bill No. 27, for the relief of Frederik Smith.—Mr. Maybank.

Bill No. 28, for the relief of William Thomas Wright.—Mr. Maybank.

Bill No. 29, for the relief of Marie Antoinette Aubut dit Cimon Charron.—Mr. Maybank.

Bill No. 30, for the relief of James Arnold Wells.—Mr. Maybank.

Bill No. 31, for the relief of Magdalena Kleiziute Testart.—Mr. Maybank.

Bill No. 32, for the relief of Hazel Shirley Elizabeth Hart Layton.—Mr. Maybank.

Bill No. 33, for the relief of Irene Morgan Neilson.—Mr. Maybank.

Bill No. 34, for the relief of Elerick Montgomery Barton.—Mr. Maybank.

CATTLE

REQUEST FOR REMOVAL OF EMBARGO ON SHIPMENT TO THE UNITED STATES

On the orders of the day:

Mr. LEWIS MENARY (Wellington North): Mr. Speaker, as reported at page 986 of *Hansard,* I asked the Minister of Trade and Commerce a question about flax, which was answered; but he did not answer my question respecting the policy of the government concerning the export of cattle to the United States. Will he answer it now?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Export permits are issued by the Department of Trade and Commerce on the advice of the wartime prices and trade board. The policy with regard to cattle is not administered by the department for which I am responsible.

LABOUR CONDITIONS

SHUTDOWN OF SAINT JOHN DRY DOCK—CONSTRUCTION OF PUBLIC WORKS DREDGE

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce. I have already sent him a copy of a telegram I received from the business agent of the shipbuilders union at Saint John, New Brunswick. It sets out that the Saint John dry dock has closed down, affecting some 800 employees. Can the minister inform the house why this shutdown has taken place, and whether he will consider the construction of a public works dredge which, I understand, is now available to this firm?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): I can hardly imagine why my hon. friend addressed his question to me. I am not aware that there has been a shutdown at the Saint John dry dock. There are many reasons why it might be shut down for a day or two in the middle of winter, but I know the government recently awarded a contract to that firm in excess of $2,000,000. I was told in Halifax that whereas the waterfront workers in Halifax were idle, the waterfront workers in Saint John were working night and day. Any matter with regard to a public works dredge or action under the dry docks act should be addressed to my colleague the Minister of Public Works.

Mr. GILLIS: In explanation I may say that the minister is mentioned in this telegram as having made the statement that there would be no layoffs in ship repairs, et cetera, for at least eighteen months.

Mr. SPEAKER: The hon. member should ask his question; he should not make a statement.

Mr. GILLIS: Will the minister pass on the telegram and the question to the appropriate minister for a reply?

Mr. HOWE: I shall be glad to do that.

TAFT-HARTLEY LABOUR LAW—COMMUNISTS IN U.S. LABOUR UNIONS

On the orders of the day:

Mr. SOLON E. LOW (Peace River): I should like to direct a question to the minister in charge of immigration or to the Prime Minister. Has the government taken note of the charges recently made by Senator Taft of the United States, which charges are reportedly backed by C. H. Millard, that the Taft-Hartley

labour law is driving communists out of United States labour unions and into Canadian unions?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have seen the statement to which my hon. friend has referred and I may say that the matter is one that will receive attention.

Mr. LOW: It is reported that some of these men are now active in mining unions in northern Quebec. I was wondering if the government had taken any precautions against their entering Canada, or is contemplating any action to get those who have come in out of the country.

Mr. MACKENZIE KING: The question of communists entering Canada has been under consideration by the department of immigration, and also, to a limited extent, by the government.

SEED GRAIN

QUESTION OF PROVIDING BANK OF SEED FOR SPRING SOWING IN EAST

On the orders of the day:

Mr. G. J. TUSTIN (Prince Edward-Lennox): I should like to direct a question to the Minister of Agriculture. Because of weather conditions last year the farmers of eastern Canada had very light crops, particularly of grain. Will the government give consideration to providing a bank of seed grains at reasonable prices in time for spring seeding by the farmers of eastern Canada?

Right Hon. J. G. GARDINER (Minister of Agriculture): The matter of providing seed grain to the farmers in the different provinces has always been taken care of by the provincial governments. So far as I know up to the moment we have had no applications from eastern provincial governments for any action.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Wednesday, February 11, consideration of the motion of Mr. J. A. Dion for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Bracken, and the amendment to the amendment of Mr. Coldwell.

Mr. GORDON B. ISNOR (Halifax): Mr. Speaker, when the house adjourned on Wednesday I was replying to a statement which had been made by the hon. member for Cape Breton South (Mr. Gillis). I had expressed the view, which I know is held by the majority of the members from the maritimes, that it was to be regretted that the hon. member for Cape Breton South and other members of the C.C.F. group had gone to such lengths to decry the possibilities of the maritimes, particularly of the province of Nova Scotia.

In his remarks the hon. member for Cape Breton South had questioned the accuracy of statements made by the Minister of Trade and Commerce (Mr. Howe) when he spoke to the Halifax board of trade last Monday evening. He had also referred to a statement which I had made that considerable work was to be carried on at the port of Halifax, and he likewise questioned the accuracy of that statement. I inquired of the hon. member whether he was in position to indicate whether the statement I had made was correct, and he replied, as reported on page 1105 of *Hansard*:

> I do not know anything about it. But if it is on a par with the statement issued by the Minister of Trade and Commerce, then it leaves a question in my mind whether it will relieve the situation which I know exists down there.

The hon. member for Cape Breton South went on to give a dreary and dismal picture of conditions in Halifax and Nova Scotia generally; and he referred to the fact that I was a member of the reconstruction committee which sat in 1942. He was very sure of that statement. While I did not correct him at the time, I wish to state for his benefit that I was not a member of that committee in 1942.

I should like to deal now with the hon. member's statement about coal. This is one subject which the hon. member for Cape Breton South should know something about because he comes from a mining district. Hon. members of the house who are not as familiar with the subject expect him to give us information of a helpful nature. I recall that this question was discussed last April when something like 13,000 miners were out on strike. At that time I said I felt that greater production would be helpful, and that it was necessary for us in Nova Scotia to make the best possible use of our coal. Having suggested that increased production would help I was reminded that that strike cost the province of Nova Scotia something like one million tons of coal which otherwise would have been produced during that time. I also took occasion to suggest to the Minister of Trade and Commerce and the government that if possible a scientific research centre should be set up in Nova Scotia with a pilot plant to look into the possibilities of developing the by-products of our coal industry. I

said that if that were done I believed it would have a marked effect on the future of our coal operations. I stated that I was throwing out that suggestion to the cabinet, at the same time hoping the hon. member for Cape Breton South, with his knowledge of the coal industry of his own native province, would co-operate and offer some constructive suggestions which would help solve the difficulty which existed.

As I say, I was hopeful that the hon. member would offer some constructive suggestions in regard to the greater use of our coal. But apparently he was not as much concerned about that as he was in sowing seeds of discontent and creating the impression that our province was backward and had very few possibilities.

A week or so ago, on Tuesday, January 27, the hon. member made a speech in this house and again referred to the question of coal. He was speaking on the import and export regulations which had been brought into effect. At page 596 of *Hansard,* referring to the industrial centres in Ontario and Quebec, he said:

> All the United States has to do at any time at all, if she wants to cripple and paralyse this country, is to withhold her fuel. By withholding her coal she can close down every industry in this country within a very short time.

Mr. GILLIS: What's the matter with that?

Mr. ISNOR: The hon. member nods his head and states that that is so. We are all interested in hearing what the hon. member has to say about coal, but I was certainly surprised at that statement of his. I wondered if he had endeavoured to look into the facts before making it. I was sufficiently interested to go into the question fully in order to get the facts accurately, and so I made inquiry. My question read:

> What proportion of industry in Canada is operated by (a) steam, produced from coal; (b) electrical energy produced by hydro; (c) fuel oil?

What did we learn? We learned that in the area the hon. member no doubt had in mind, the industrial centres of Quebec and Ontario, only 9·4 per cent of industry in Quebec province is operated under steam produced by coal; 2·7 per cent by oil, and 87·9 by hydro. I think the hon. member should be more careful of his statements.

Mr. GILLIS: May I ask a question?

Mr. ISNOR: I shall be pleased.

Mr. GILLIS: That 9·4 per cent represents the basic industries, and if they were closed down, the other ninety per cent of industries which are fabricating would have to close down.

Mr. ISNOR: I will give the hon. member some further information.

Mr. GILLIS: I am giving you some now.

Mr. ISNOR: I will give him further information so that he will not spread all over the country extravagant statements which are not in accordance with the facts. The figures for Ontario are just about the same as those for Quebec: steam, 15·4 per cent; oil, 3·8 per cent; hydro, 80·8 per cent. That is in central Canada where electrical energy is largely used. The same is true of Manitoba: steam, 10·5 per cent; oil, 5 per cent; hydro, 84·5 per cent.

The hon. member will no doubt ask about our own maritime provinces. During the time the hon. member was on his feet speaking of coal we were not producing enough coal to supply the demand in our own maritime provinces. That is to be regretted, and it is why I am very anxious to see production rise to the highest possible peak. I was indeed pleased the other evening to read the figures given by the Minister of Trade and Commerce in Halifax, showing that there was an increased production in the Cape Breton fields and in Nova Scotia mines which would help to relieve the situation.

I will now give the corresponding figures for New Brunswick: steam, 45·2 per cent—of course coal is produced right in that province; oil, 5·2 per cent; hydro, 49·6 per cent. Prince Edward Island: steam, 49·7 per cent; oil 20·5 per cent; hydro, 29·8 per cent.

In our own native province which the hon. member for Cape Breton South and I, along with other members have the honour to represent, we have a big field but as yet we have not developed the use of coal to the extent which I hope will be the outcome of present research activities. The figures for Nova Scotia are: steam produced from coal, 57·3 per cent; oil, 8·1 per cent; hydro, 34·6 per cent. There is still a field for the greater use of the products of our coal mines even in our own province, and I do not think it helps the situation for the hon. member for Cape Breton South to go round making statements belittling the possibilities in our own section of the country.

Mr. GILLIS: Are you opposed to developing our own industry?

Mr. ISNOR: I am very much in favour of it.

Mr. GILLIS: That is exactly what I was arguing for, but now you are making the case bad for us.

Mr. ISNOR: If the hon. member will do the same as I do, listen and then reply or ask intelligent questions, I shall be pleased to answer him.

Mr. GILLIS: Try to do something for the 4,500 unemployed in Halifax.

Mr. ISNOR: I am glad the hon. member mentioned the unemployed. I was interested in a statement made by Mr. N. L. Rolfe, whom I am sure the hon. member knows. He is president of the Veterans of Foreign Wars, and he says that there were 900 communists in the city of Halifax who are not at all concerned about getting or seeking employment. Like the hon. member for Cape Breton South I am anxious to encourage industry in every possible way, and that is why I offer constructive suggestions from time to time instead of simply criticizing.

The hon. member mentioned the situation at Sydney in coal and steel, particularly steel. He has no love for Dosco, and I hold no brief for Dosco because it is well able to take care of itself. I should like to put on record a statement made by Mr. Anson, the general manager of Dosco at Sydney: He says:

A $4,000,000 construction on a battery of 53 coke ovens of the "most modern design" will start early in the spring.

Mr. GILLIS: Early in spring—just like the causeway.

Mr. ISNOR: I regret you cannot take it. The report continues:

Mr. Anson said the new project would replace "part of the present set-up which has outlived its usefulness."

The ovens to be replaced by the new battery had been in operation about thirty years, Mr. Anson said, although average life was twenty-five years. The new battery of fifty-three ovens will produce as much coke as seventy-five or eighty-five ovens of the present design, Mr. Anson stated.

Mr. Anson estimated the construction work would take about eighteen months. It is estimated the project will employ an average of 150 men a day.

Mr. Anson's announcement was the biggest story in Sydney steel in years, and added fuel to the fires of speculation that the sprawling Sydney mills are on the verge of a far-reaching expansion program.

During recent weeks the coke ovens situation has been the cause of concern, and according to reliable reports the domestic coke supply will be limited this winter.

Which we know to be true. I continue:

But before operations bogged down as a result of the coke ovens "operational difficulties," production records were cracked in the open hearth, and in fact new all-time marks were registered.

[Mr. Isnor.]

I felt, Mr. Speaker, that I should put that on the record to show that the company—even though it is not held in very high regard by the hon. member for Cape Breton South—was endeavouring to help industry and bring about better conditions and more employment in that part of my province.

Mr. GILLIS: There are 2,200 veterans in that area.

Mr. ISNOR: There is another matter to which I should like to refer. I mentioned a moment ago that last April I suggested that a scientific research centre be set up in Nova Scotia. I am pleased to note that in this same publication there appears a dispatch from Halifax which reads as follows—

Mr. GILLIS: Just for the record, what is the hon. member quoting from?

Mr. ISNOR: I think I might say to the hon. member I am quoting from a publication that is not particularly unfriendly to him. It has done him very good service in the past and is continuing to do so.

Mr. GILLIS: What is it?

Mr. ISNOR: It is called, "Business-Grams issued by The Halifax Herald and the Halifax Mail. The Voice of Nova—The Choice of Nova Scotia." Has the hon. member any objection to that source? The quotation is as follows—

Mr. GILLIS: I should like to give the *Herald* credit on the record.

Mr. ISNOR: The hon. member will be able to give it credit in a minute; that is why I am reading it.

Mr. SPEAKER: I must remind the hon. member for Cape Breton South that it is against the rules to interrupt an hon. member who has the floor without his permission.

Mr. GILLIS: On that point, Mr. Speaker, I suggest that the hon. member for Halifax make his speech to the house through you, and not to me.

Mr. SINNOTT: It is getting under your skin, is it?

Mr. WINTERS: A little too pointed.

Mr. ISNOR: May I bring to your attention, Mr. Speaker, a further dispatch in the publication to which I refer, which reads as follows:

Halifax's new national research council laboratory, designed to serve the three maritime provinces, will be a three-storey structure erected to the east of the science building on Dalhousie university campus at a cost which might run as high as $300,000.

This announcement was made recently by Dr. G. H. Henderson of the physics department at Dalhousie, and Nova Scotia member of the national research council, following his return from a meeting of the council at which further plans for the institution were formulated.

The building, larger than originally proposed, will be 90 by 50 feet with an ell in the rear for flexible provision for use of pilot plants in the work of the regional laboratory's 50-man staff, half of which will be composed of professional scientists.

I was pleased to note that, Mr. Speaker, because it brings into being something I suggested last April and which I have every reason to believe will be of real benefit not only to the particular section represented by the hon. member for Cape Breton South, but also to the whole of the province of Nova Scotia and perhaps to the maritimes in general.

Mr. GILLIS: Hear, hear.

Mr. ISNOR: I am glad to hear the hon. member say "hear, hear". At last he is beginning to realize that there is something of a constructive nature being offered.

There was a further dispatch—and I shall quote this for the benefit of the hon. member for Cape Breton South—which appeared in the Truro *Daily News* of Monday, February 9, 1948, and which reads as follows:

Coal Resources Will be Developed

Halifax, Feb.8—Inauguration of a long-term program designed to develop Nova Scotia coal resources was announced here Saturday by Dr. Robert D. Howland, vice-president of the Nova Scotia Research Foundation, following a two-day conference sponsored by the foundation.

Dr. Howland said one of the aims of the program would be to encourage substitution of Nova Scotia coal for American fuel oil.

The research program will include the following:

1. Geographical surveys to determine more exactly the extent and nature of provincial coal deposits.
2. Physical and chemical surveys to determine the quality and burning characteristics of various Nova Scotia coals.
3. Investigation and adjustment of combination equipment to promote the wider use of Nova Scotia coal.

Mr. GILLIS: That will be next spring.

Mr. ISNOR: The hon. member for Cape Breton South said it will be set up by next spring. For the benefit of the hon. member may I say that they are working on it at the present time. In fact they have already set up a pilot plant in Ottawa to be ready to take over as soon as the building is completed in Halifax.

Mr. GILLIS: That was set up three years ago.

Mr. ISNOR: I do not know how much of my time remains, since I began my speech on Wednesday; but I want to deal briefly with the functions of the industrial development bank as they apply to the maritimes.

In central Canada, more particularly in Quebec and Ontario, borrowers are close to the head office; and they are able to make their applications and present their cases in person, and they receive, perhaps unconsciously, greater consideration than do the applications in the section of the country which I and others represent.

I regret that my time has elapsed. I wanted to develop that point, and I shall do so in just one or two minutes if I am permitted. I would ask that greater consideration be given to applications for loans, and that loans should be viewed not only from the point of view of the traditional test of whether the loan is good or not, but also in the light of the question whether the proceeds of the loan will be used to contribute to the welfare of that particular section of the country, the maritimes in my case.

In that regard I should like to extend my thanks to the hon. member for Davenport (Mr. MacNicol) who has travelled all over Canada and who visited us in the maritime provinces. I believe he has done a good job in making known the possibilities of industry in our section of the country. I should also like to have referred to writers who have done a good job in making known the possibilities of Nova Scotia. I have particularly in mind an article which appeared in *Maclean's* magazine written by Blair Fraser, entitled: "Men by the Sea." Articles such as these do more good than speeches made by the hon. member for Cape Breton South which paint a dreary and dismal picture of conditions in our province. I for one when I stand here and talk about my province wish to paint as bright a picture as possible in order to encourage further industries to come to that section of the country.

Mr. LEWIS MENARY (Wellington North): Mr. Speaker, since I come from an agricultural district I should like to take part in this debate, and my remarks will be brief.

Can the government or the income tax department devise a simpler method of compiling income tax returns? There are very few farmers or even businessmen who can make up an income tax return on the present forms. In the small towns and villages there seem to be only one or two men who can compute an income tax return, and the farmers leave the computing of their taxes until the last moment and very often do not get the returns in in time. If the forms could be simplified, it would be better for all concerned.

I would like to say something about the feed companies. In the period between August 1, 1947, and January, 1948, the farmers were unable to buy grain to feed their hogs and poultry. That is one reason why the farmers sold their brood sows and laying hens and pullets. Now we are told that the elevators and the grain companies in the west held this coarse grain in storage awaiting the rise in price that they knew was coming. The farmers lost hundreds of thousands of dollars by selling this stock, much of it in an unfinished condition. Then you came along with a rise in price on all these grain products. You did not inform the farmer, but you allowed, I understand, approximately four million bushels of grain to get into the hands of the elevators in the western provinces at the low price.

Is it true that cars were held waiting for your announcement of this increase in price? Now, I understand that the farmers of the west are demanding from the government that they be paid an increase in price amounting to some $4,000,000 which they lost in selling this grain, possibly through lack of storage and need of money. Owing to this same shortage of feed the farmers of Ontario were compelled to sell a great many of the pullets they had raised for the producing of eggs during this fall and winter. The birds were brought in to the processing plants by hundreds. There are a number of processing plants in my riding, and truckloads of these birds were coming in every day. There were about fifteen hands employed in each of these plants, and they were really taking in a good many fowl. These birds cannot be replaced.

The same can be said of hogs; and sows, even close to the farrowing period, were allowed to go to market. One trucker in my district took sixty-five sows out to market in one week. Other districts no doubt did the same. Later this grain came into Ontario at an increased price. There seems to be no guidance given by our government to the farmers. These farmers, who had to sell their laying hens and brood sows, will suffer a heavy loss. The birds cannot be replaced.

Another announcement should have been made by the government with reference to the question: Why were hogs not raised to $24 per hundredweight on October 1 as promised in the last session? If this had been done the farmers would not have sold their young pigs and sows, since this rise in price would have helped to offset the increased price of food.

[Mr. Menary.]

Mr. GARDINER: Are the questions that are being asked by the hon. member addressed to me, or are they questions that were asked of him by someone?

Mr. MENARY: It is from *Hansard* of June 18, 1947. I am not asking the question of the minister now.

I want to say something regarding the veterans of the first great war. These men went through untold hardships in the fighting in France and Belgium. For hours they stood up to their knees in mud. I think there should be a re-examination of the position in which these men find themselves today. In my district a veteran of the first world war was carrying on a little business. He had a wife and two children. He was forced to give up his business because of illness. He was getting a small pension on which he was unable to live and keep his wife and family. The wife went out to work in order to help out. This came to the attention of the Department of Veterans Affairs and she was told that she could no longer work. Now, even veterans' families must eat to live. They must have coal and fuel to keep warm. When a veteran does not own his house he must pay rent, and he must buy clothing. I went to see this particular veteran on different occasions, and the poor chap simply sat there, unable to do anything, though his wife was willing to go to work in order to help out, because she could have obtained a position as an assistant in a store, as she had done before. In fact, they were getting along fairly well, because when she came home at night she would help with the housework.

I think the government should be more generous to these returned soldiers. Can they not institute a more humanitarian method of dealing with our veterans, who have given so much to the people of this country?

I want to mention another matter affecting the veterans, and that is the Veterans Land Act small holding plan. There are many returned men in the towns in my riding who would like to get a small piece of land on which to build a house. They may be carrying on a business or engaged in some other activity in these towns. They find that the Veterans Land Act branch increased from half an acre to three acres the acreage they must buy, and three acres of land is too much for any man to take care of who is in the position of these men I am discussing. I would ask the department to allow these veterans to take up half an acre or less and build houses for themselves, at the same time carrying on their business in the small towns or villages. Since coming

here I have received several letters from one veteran who filed his application in plenty of time before the act was changed, but like thousands of other veterans he got the run-around from the department. It has been said recently that the government may reduce the required amount of land to one acre or less. This seems more reasonable when the veteran is fully employed at some other occupation. He can look after half an acre but he cannot take care of three or four.

I come from a riding where the population consists of many nationalities—English, Irish, Scottish, Poles, German and Mennonite. In the great melting pot of our races these people are Canadians. There are few ridings that have sent more boys, in proportion to population, to fight for and to save our democratic way of life. Of this we are proud. I was at a gathering of returned soldiers recently at which there were 125 of these boys, and I was struck by the number of foreign names among the lads who came forward to receive gifts. It is a great thing that people can mix and become assimilated in that way.

Before coming to attend this session I was asked a question by a father who had four sons overseas, one of whom made the supreme sacrifice. I may say that he had been overseas himself. This father asked, as many more fathers and returned men would like to ask: Why did the Minister of Trade and Commerce make the statement he did—see page 5727 of *Hansard* of July 16, 1947—namely, that the Premier of Ontario, who had arranged to bring 10,000 people from the motherland to Ontario, could not land them on Canadian soil? He stated that Mr. Drew might make arrangements to land these, our people, in the United States, but they would not be allowed to land in Canada.

A great many of the veterans in my riding resent that statement. It may be that the Minister of Trade and Commerce never thought it would cause trouble, but these veterans resent the statement because they were used so well in England. They were taken into the homes of the people there and treated with great kindness. I am sure that if the minister had given the matter thought he would not have made that statement. Let me say to the Minister of Trade and Commerce that the people of Canada will not soon forget those words. The people of England treated our boys with great kindness, as I say, shared their food with them and entertained them in their homes. Not only that, but England for two years stood alone. France collapsed early in the war and the United States did not come in for some time. We owe to England a debt that we cannot repay. I say to the minister: You have been given great power—yes, I repeat, great power. Let us look back to world war I, from which emerged a paperhanger, I believe with the rank of corporal. Look back and see what happened year by year. His power grew; and through him the world was plunged into the greatest war of all time. Nations were destroyed; thousands died of starvation. I do not believe a democratic government should place this power in the hands of any man, since power grows day by day, and the common people are pushed aside and made vassals of the state.

(Translation):

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Mr. Speaker, the government has embarked upon a policy of restriction, which it has asked and is asking parliament to ratify. Some of these restrictions are extremely severe. There is no reason for subjecting the necessities of life to such austerity measures. Because of these restrictions, demand far exceeds production in Canada. The precarious state of our economy can no doubt be explained otherwise, but the basic reason of our present state, to my mind, can be found in these restrictions. This panacea was born of the war. Not five years have gone by since the government was paying the wheat grower to cut down production, a restriction which now deprives the eastern farmer of the grain necessary to produce wheat, butter and cheese and which leads to a shortage of goods, as well as to inflation.

Is it reasonable, in a country like ours, to pay so much for bread and all other food products? We should mind our own business more than we do. Our domestic policy is well worth looking after. Otherwise we shall witness the collapse of our economy.

It is all very well to draw up treaties and multiply international conferences, but it is more logical to watch over our financial position. Chambers of commerce, banks and all expert economists have forewarned the government of the danger of such long-term contracts with European countries. They have told them how urgent it was for Canada to obtain United States dollars. But the government had long ago pledged themselves to help Great Britain. And in order to restore the latter's finances, they are asking this nation to make sacrifices which today take on an odd character of solidarity and austerity. Why is Canada's fate always bound to that of Britain? Why should we, in our economic evolution, feel the effects of the slowing-down, the reces-

sion and even the stoppage of the financial life of a country to which we have given what was the best in our economy? Finally setting aside fiction and confusion, the government now submit to parliament the result of protracted discussions in order to convince it that what was prosperity has ceased to be so and what was balance has become economic lopsidedness.

Is this an attempt to lower the cost of living? Such decline is not yet apparent. On the contrary, everything is being bought at a ransom price. One has the impression of living in an environment where unfair advantage is being taken of everybody and where such exploitation is equalled only by the entirely false complexion of our financial and economic situation. Producers as well as consumers face innumerable hardships, of which the adoption of these emergency measures is sufficient proof. These are expedients which have already been tried without success. They have always favoured and will still favour a small number of individuals, because of the shameful practice of the black market. The wartime prices and trade board is the most striking example of such expedients. Does the government hope to cure the evil by slowing down or cutting off our imports of raw materials, as it is doing in many unjustifiable cases? A nation's economy cannot be restored by such means. On the contrary, there is great danger of it being destroyed, through a lack of the necessities of life, as well as of raw materials. Prices show it is not a question of devaluating our dollar. Such a remedy would be ineffective, because of its temporary character. In a nation all economic factors are interdependent. We should keep up the volume of our United States imports and exports. We should have increased them steadily, as plain common sense dictated to our leaders. The United States have been our best customers for years, and still are. Yet, the government sacrificed part of our trade with the United States in favour of Britain, upon which we showered gifts and interest-free unsecured loans.

That policy has brought about disastrous results that will long be felt. Protests pour in from all quarters. Farmers, workers, financiers, manufacturers and all the other social classes are alarmed at the present situation. Not a day goes by but I receive resolutions from agricultural associations of my constituency, protesting against the scarcity of mash and feed grain and against the removal by the government of certain subsidies that are so necessary in this critical period.

[Mr. Lacombe.]

The balance between the cost of production and the sale price of farm products has been disrupted. Yet, the Minister of Agriculture (Mr. Gardiner) anticipates for next year an even more acute scarcity of agricultural commodities. He also warns farmers that there will be a shortage of fertilizers in the near future. Such is the picture drawn by the very members of the government. Should all those predictions materialize, what will follow? A slow-down in production, food shortages, substantial increases in the price of essential commodities and a whole network of restrictions.

Yesterday, in the name of the four freedoms of the Atlantic Charter—a hoax, according to the former president of the United States—our country was dragged into the path of military imperialism. Tomorrow, no longer in the name of Christianity, it will be drawn in the wake of financial imperialism to fly to the aid of a godless Russia that holds sway over the Balkans in staggering Europe. The appeal will be to save the sterling pound and the Empire's capital assets, which are vanishing in a world ruined by wars that have settled nothing. The secondary powers have been sacrificed to communism by the strongest nations of the world. Also Soviet Russia is therefore bringing the whole of Europe under her sway. One had to be blind not to foresee such a development. But nations like individuals are prompted by selfish motives. The dreadful conditions prevailing in the satellites of Soviet Russia have been fostered to a large extent by the greed of financial imperialism. Let those who have brought about such a sad state of affairs assume their proper responsibilities.

Once more orders in council have been enforced by the government without the advice of parliament. This encroachment upon the prerogatives of the House of Commons has been laid down as a policy. The representatives of the people have so often been ignored on behalf of irresponsible bureaucrats that this infringement of members' rights passes unnoticed by too many people. Not long ago, milk producers were deprived of their subsidy by an order despite a majority vote of parliament in favour of maintaining this assistance. There is no money left for granting subsidies to producers and consumers. There is no money left for building homes for already begun to close down, crushed by the burden of taxes and restrictions. At a time such as this, when our production should be reaching new heights, it would seem that not

a stone is being left unturned to restrict and discourage it. You cannot build anything with restrictions. It is a policy which tires out and further weakens this country. The real builders succeeded because they sought to stimulate commerce, industry and agriculture. The basis of all life, as of all prosperity, is to be found in the development of natural resources. This principle is as old as the world itself.

The Canadian people are at the mercy of financial dictatorship. The government cannot persuade anyone that they could not foresee the increase in the cost of living now weighing so heavily upon low-income families. However, they removed subsidies to producers and consumers at a time when both groups had the greatest need for them.

Before concluding, I wish to draw the attention of the house to the flag that floats over these parliament buildings. That flag continues to give to all the impression that Canada remains under the guardianship of another nation. It reduces this country's stature by asserting our bondage. I do not believe in the sincerity of those who advocate the unity of this nation and who in the same breath refuse to play the game in the building up of a free and sovereign country. The government should thrust away the obstacles raised by those who deny Canada the right to small wage-earners and their families. Let war break out tomorrow, and there will be as many as you wish to continue undermining the economy of this country. Such is the result of an overdone war effort. This austerity program indicates the plight of our financial situation. It shows how anxious are the government and their financial advisers.

The new restrictions will tend to discourage middle-sized and small industries, which have grow up. They should meet them with the assertion of a truly national spirit and fight down colonialism, which is the very negation of a Canadian motherland. They should forthwith proclaim the adoption of a significant and distinctive flag. Otherwise, the government will go down in history as having denied Canada a truly national and essentially Canadian flag.

Mr. DECHENE: Hear, hear.

(Text):

Mr. E. B. McKAY (Weyburn): Mr. Speaker, I wish to draw the attention of the house to the serious plight facing many veterans, particularly those on pensions and allowances, as a result of the discontinuance of price controls in this country. A large number of the 800,000 veterans in Canada are in dire need because of excessive living costs. Many are unable to purchase the necessities of life because of their high cost. The recipients of disability pensions, the widows of non-pensioners and those in receipt of allowances of various kinds, including veteran students, are hard hit because of the government's policy of decontrol of prices before there was a surplus of consumer goods available on the market.

No provision has as yet been made by parliament to assist these people who are the unhappy victims of ill-advised government policy. Every member of the house should be concerned in this matter, if for no other reason than that veterans live in every federal constituency. But concern ought to be shown more particularly by government members, since they are responsible for the dropping of price controls, which has resulted in so much distress among young and old veterans alike from one end of the country to the other.

Pensions and allowances remain at the same basic rate at which they were struck in 1926, when the cost of living index in this country stood at 121·8 as compared with 148·3 today. Although this increase in living costs should call for an increase of twenty per cent in the basic pension rate, nothing has yet been done by this house to relieve the situation facing the thousands of veterans concerned.

A dollar in 1926 will buy less than 80 cents worth of goods today. If only clothing and food are concerned—and certainly a large portion of the pensioner's cheque goes for those commodities—the 1926 dollar is worth less than 60 cents. With a one hundred per cent disability a single ex-private would receive $75 per month. With the buying power of the dollar reduced to at least 80 cents it is apparent to all that his cheque will now buy only $60 worth of goods. The reduction in his monthly cheque is the equivalent of $15.

However, the situation is even worse than that, since few veterans actually receive 100 per cent disability. Most of them receive very much less than that. Of the 152,731 pensioners as of December 31, 1947, as indicated in an answer I received to a question in the house only a few days ago, just 7,165, or 4·7 per cent, are receiving 100 per cent disability, while 96,662 veterans, or over 63 per cent, are receiving small pensions of 24 per cent disability or less. It is true that many of these veterans have other incomes from jobs, but the pension granted is based on the fact that their earning capacity has been lessened by disability. They are handicapped, otherwise no pension would be provided. With no upward revision in pension rates they are

actually being subjected to a pension reduction because of the dollar's smaller buying power today.

These pensions are very small indeed. A 24 per cent disability pension for a single ex-private amounts to $18 per month. With today's inflated prices that pension has a buying capacity of only $14.40 or less. Last session I appealed to the then minister of veterans affairs to increase pensions by twenty per cent, as had been done in the United States. I now appeal to the present minister to grant a twenty-five per cent increase, because living costs, particularly clothing and food, have increased substantially since last year.

Veterans in this country are suffering because of the high prices of the ordinary things of life, the result of a too hasty decontrol of prices. Veterans should not be subjected to the effects of an ill-conceived policy of this kind. After the first world war Sir Robert Borden, Canada's prime minister of that day, said "Our soldiers shall never want after fighting so gallantly." But thousands suffered in the depression of the thirties, and thousands are suffering today because of an inability to buy the necessities of life due to excessive costs. Their pensions and allowances are inadequate to meet increased living costs. Something must be done to relieve their plight. Something should be done without delay by this house.

We have been informed by the press that a proposal has been made by the government of a $10 a month increase in basic pension rates. If such an increase is made it is at least a recognition on the part of the government that something should be done. A flat increase across the board is inadequate and certainly is inequitable. It is indeed a crumb from Canada's table of plenty.

I feel that the whole approach to this problem is wrong. A veteran's pension is not a gratuity and has never been considered as such. It must be accepted as the wages of war. It is a small payment by the nation on a debt which cannot be reckoned in dollars and cents, a debt due for lives lost and bodies shattered wherever our boys fought in defence of this land. We cannot replace war-torn minds and bodies or bring back loved ones who are gone, but we can make some monetary compensation to the bereaved families and to disabled veterans. That much it is within our power to do. The very least this country should give to the disabled veteran and his dependents is the equivalent of lost earning power in the form of a substantial pension. A grateful people can do no less than that. Canada should compensate these folk for everything they have lost when the ruthless hand of war uprooted them from their niche in the economy of this country.

Before the government makes any attempt to reduce taxes or declare surpluses it should meet, in part at least, the greatest debt it owes, the debt to the men and women who made sacrifices in order that all Canadians might have peace and security in a land of plenty. I repeat that an increase of $10 a month would be inadequate. I make that assertion because of official government figures issued by the bureau of statistics which show that there has been an increase of more than 20 per cent in living costs since 1926 when the present pension schedule was established. The cost of living is still on the upgrade, as is indicated by the 2·3 points increase in the index. It will need at least a 25 per cent advance in pensions and allowances to avert a reduction in the pensioners' standard of living below that which they are entitled to enjoy on the basis of the 1926 rates. This is especially true when we realize that most of the pension is expended on food and clothing, in connection with which the index now stands at 180 and 160 respectively, indicating much more than a 25 per cent increase in these prices.

The proposal in the February issue of *The Legionary* does not provide for any supplement to wives and dependents. This is where the proposal in inequitable. It is assumed, no doubt, but wrongly, that the $10 a month increase is sufficient to provide for both the veteran and his family. It is most difficult to understand the basis for such an assumption. The greater the domestic responsibility of the pensioner, the smaller the percentage of increase seems to be the plan. On the basis of a $10 increase the single veteran will receive 13⅓ per cent more on his pension, but the disabled veteran with two children would obtain an over-all increase of only 6·5 per cent, or about one-half as much. This is grossly unfair to the pensioners with family obligations. It does not make sense.

It seems only fair to suggest that all the beneficiaries under the act should receive the twenty-five per cent advance in pensions. This would then include dependents as well as the recipients of various kinds of allowances, which is as it should be. Such a revision would be equitable because it would be based on the increase in living costs since the schedules were set up and would include all those veterans and dependents affected. Anything less than a twenty-five per cent increase is equivalent to a corresponding

decrease in the scale of pensions set up in Canada twenty-one years ago, which even at that time was considered inadequate by many people. And if something is not done by this parliament to arrest the upward trend of prices, further adjustments may be required.

I submit, Mr. Speaker, that this might be done by allowing an increase of one per cent in basic pension and allowance rates for each point rise in the cost of living index, adjustments to be made quarterly. By the same token, reductions in the pension rate could be effected when prices recede, as they inevitably must.

The recipients of war veterans allowances also have a legitimate complaint with regard to the proposal to increase their allowances by $10 a month for single and married pensioners alike. This is inequitable in that the single man receives a greater percentage of increase than the married recipient. In order to be fair the single man should receive a minimum allowance of $50 per month and the married man with his greater domestic responsibilities, should be given $85 a month. These amounts would bring the rates somewhat nearer to actual minimum living requirements.

For the same reason the widow's allowance now payable under the War Veterans Allowance Act should be increased to at least $40 a month. This is little enough. It has been said in this connection that the increase should be based on established need. Surely, Mr. Speaker, that need has been recognized, since widows now receiving the allowance have been subjected to a means test which establishes their right to assistance.

Some reference should be made in a speech of this kind to the difficulties being experienced by the 33,000 student veterans who because of the high cost of living are being forced in many cases. to discontinue their studies or are struggling along with financial worries, to the detriment of their work. The maintenance grants set by the Department of Veterans Affairs in 1944 of $60 for a single man and $80 for a married man have long been considered to be insufficient to meet the needs of the student veteran. Surveys have repeatedly shown that these allowances were barely enough to cover board and room even before living costs rose to the present high level. The veteran has always had to provide for transportation, books, laundry and clothing out of his own savings, which now in most cases are gone.

The situation has been aggravated by the removal of price controls which were in effect when the rates of his allowance were set. University of Toronto students have figures to show that a $60 cheque now buys only $36 worth of goods in Toronto as compared to its purchasing power in 1944. The married veteran's cheque of $80 in 1944 has dwindled to $58 today in its value to purchase consumer goods there. To bring back the purchasing value of the student veterans' allowances of 1944, a twenty-five per cent increase in the allowances is imperative.

The cost of living index in 1944 stood at 118 points when the schedule of allowances was set up. Today the index stands at 148·3 points, or an increase of 30 points, representing an increase in living costs of over 25 per cent since 1944 when the schedule was first drawn up.

It was recently reported in the press that up to August last thirty-one per cent of the student veterans have discontinued their courses of training because of financial stress. If this statement is correct, Mr. Speaker, it is a most alarming situation. Everyone must be aware that all veterans attending institutions of higher learning are not so fortunate as to have parents who can assist them financially. Therefore many are forced to leave school inadequately trained to meet the stress of competitive job-seeking in a society which is demanding trained personnel.

The national conference of student veterans, which embraces students from every Canadian university, is now appealing, and I am glad to join in that appeal, for an increase in student veterans training allowances. On the basis of increased living costs a single veteran should get $75 a month and the married man $100. This would compensate for the 30 point rise in living costs since 1944. Furthermore I feel that the increase should be made retroactive to September, 1947, the beginning of the university fall term. Even such increases will barely meet average living costs, according to a survey conducted amongst veterans on the campus of the university of Saskatchewan. There it was found that a single man averaged $87 and a married man $124 for living expenses per month, and living costs in Saskatoon, the seat of the university of Saskatchewan, are not by any means the highest in Canada.

Canada needs trained men and women. The young student veterans, the cream of this country's youth, gave years of their lives in service to this country, while others profited. They sacrificed and fought for our democratic way of life. Our democracy should now show some gratitude for those sacrifices by giving them an opportunity to complete their courses of training so that they will be able to secure

decent positions on an equal basis with those who did not serve their country in the same way. Surely the student veteran is entitled to this much at least. All that he is asking is a square deal. The late Theodore Roosevelt once said:

A man who is good enough to shed his blood for his country is good enough to be given a square deal afterward. To more than that, no man is entitled, and less than that no man shall have.

I think, Mr. Speaker, that most Canadians will subscribe to the sentiment expressed in those words. The student veteran and every other veteran is entitled to a square deal, and it is within the power of this parliament to provide it. Canadians have not forgotten the sacrifices of these young folk. Canada cannot afford to be niggardly in the training allowances which are provided for them. Their future can be assured only by a 25 per cent increase at this time in their living allowances.

In conclusion I wish to emphasize again the pressing need for making an upward revision in pension rates and allowances to veterans to meet the present inflated living costs. Canada has a heavy obligation to the people who carried the torch of freedom in two world wars. Let us now meet, in part at least, that obligation by providing pensions and allowances adequate to meet present difficult living conditions.

Mr. GREGG: Before the hon. member concludes his speech, may I ask him a question?

Mr. McKAY: Yes.

Mr. GREGG: Did I hear the statement correctly that thirty-one per cent of the veterans had discontinued their courses on account of lack of financial assistance?

Mr. McKAY: In answer to the question, Mr. Speaker, I would say that the press reported thirty-one per cent, and I used that figure in my speech. If that figure is right, then it is a most alarming situation. I do not know whether it is correct or not.

Mr. GREGG: I know the hon. member would like to be fair, and I assure him, Mr. Speaker, that that is not true. The figure is much less than that.

Mr. McKAY: Will the minister give us the figure?

Mr. GREGG: I shall be glad to submit it later.

Mr. D. S. HARKNESS (Calgary East): Mr. Speaker, I should like most heartily to join with the hon. member for Nanaimo (Mr. Pearkes), the hon. member who has just taken his seat (Mr. McKay), and other hon. members, in their pleas to the government for better treatment of our veterans and their dependents at the present time, in view of the marked increase in the cost of living. I had intended to speak at some length on this subject, but it has already been covered so extensively that I shall leave it with just that remark.

For the past three sessions I have spoken on the oil industry in Canada, and have brought to the attention of the house and the government the measures which the oil men of Alberta have thought should be taken in order to encourage the search for oil, to expand the drilling program, and thus the production of this vital commodity. Up to the present time I am sorry to say that the government has not accepted many of these suggestions, and as a result, at its door lies the responsibility for the fact that our oil production in Canada today is not considerably greater than it is. However, the current shortage of fuel oil and the demand by some United States senators and congressmen that all exports of oil from the United States be stopped, has focused public attention on our oil situation in Canada and has thus created conditions which I hope will make the government more receptive to suggestions of the oil men.

The present shortage of oil in the United States and the warnings by various high officials of its government that, in the future, domestic supplies of crude will not be sufficient to meet the demand, particularly in the case of a war, coupled with the advice that plants should be started immediately to make gasoline from coal, has made it apparent to everyone in Canada that we can no longer depend upon the United States to supply us with the greater part of our oil requirements. This makes it an urgent matter to us to make sure of our own supply by developing our own resources.

There are three ways in which that can be done. The first is by finding and bringing into production new oil fields; the second is by utilizing the oil resources of the McMurray tar sands in northern Alberta, and the third is by the erection of plants to make synthetic gasoline from coal. The most immediately promising of these three methods is the first; and I am glad to say that the search for oil is now going on actively in widely separated parts of the Dominion of Canada, and particularly in Alberta. That search is being carried on, not by the federal or any provincial government, but by oil companies risking their shareholders' money, and today they have put into their efforts to find oil many more millions than they have received back from

successful oil wells. Furthermore, most of this loss which they have experienced has been due to government taxation in one form or another. Under these circumstances I believe the government should encourage the movement of capital into the search for oil by meeting the reasonable requests which the oil men have made for tax, tariff and other concessions. On July 18, 1946, I made five suggestions to the government as to how exploration and drilling programs could be encouraged. Only one of these suggestions has been carried out to date, and I should like now again to bring them to the government's attention.

The first of these suggestions had to do with the fifty per cent tax deduction allowed on what are known as deep test wells, drilled in the foothills area of Alberta, where you have to go many thousands of feet to discover an oil well. Oil men have asked repeatedly that this concession be extended to all oil wells drilled in that western country, particularly to the wells drilled in the plains areas where it is not necessary to go so deep, and also to completing abandoned wells. The adoption of a policy of this kind by the government would, I think, without question result in the expansion of the drilling program.

The second suggestion was that there should be a greater depletion allowance. At the present time operators are allowed a depletion allowance of 33⅓ per cent. In the United States, oil men, with whom, of course, our oil men have to compete, and from where large numbers of them come, are allowed up to fifty per cent depletion allowance, and this can also be moved backward or forward, so that a company having no net income in any particular year is entitled to a depletion allowance, and may carry it forward or backward to apply against future or past profits.

The third suggestion was that all drilling costs permit and leasing expense, geological and geophysical costs et cetera, be allowed as deductions for tax purposes and, further that these expenses may be claimed as and when desired, so that large expenditures over two or three years may be deductible when production is secured, and spread over the period of production, which is ordinarily some time. The first three years of an oil well's life are ordinarily the most productive years.

The fourth suggestion was that the present income tax regulations covering exploration and development, which are on a year to year basis, should be made part of the permanent tax structure, so that operators may be able to make future financial plans under definitely known tax conditions. That would be of particular help to smaller operators, in that they would know where they stood and were likely to stand in the future so far as tax regulations, exemptions from sales tax on their equipment and so on, are concerned.

The fifth suggestion was the removal of the subsidies being paid at the time on crude oil. That was the only suggestion which the government has adopted. It did remove the subsidy and price ceilings and the price of crude oil has risen considerably. I should like to illustrate the extent to which it has risen, or how it has risen, and comment on the effect of it. I hold in my hand a bulletin of the Western Canada Petroleum Association, dated January 9, 1948.

Mr. BLACKMORE: Will the hon. member permit a question?

Mr. HARKNESS: Yes.

Mr. BLACKMORE: Is each one of these suggestions within the competence of the federal government to fulfil, or would they involve the provincial governments as well?

Mr. HARKNESS: I think they are all within the competence of the federal government, without having any connection with the provincial governments.

The bulletin to which I have referred contains a little table showing what crude oil prices have been in Alberta. They are as follows:

	Per barrel
May 1, 1944	$1.66
January 1, 1946	2.11
January 15, 1947	2.61
April 1, 1947	2.96
October 28, 1947	3.16
December 12, 1947	3.66

Quite a material rise.

The effect of this price rise has been marked in encouraging drilling. In the middle of 1946 there were twenty-eight large oil drilling rigs standing idle in Turner valley. In the middle of 1947 these rigs were all at work drilling in various parts of the province. This change in the drilling picture was partly due to the encouragement which the oil men received through the discovery of the Leduc field; but if the price of crude had, by government action, continued at the artificially low rates which prevailed up to the beginning of 1947, the heavy risk involved in drilling would not have been taken by many of the companies which now have wells either in production or going down.

In addition to the suggestions I have mentioned, which I believe the government should follow at this belated time, I asked that the special concessions made to the gold mining industry in 1946 and 1947 be extended, in a

modified form at least, to the oil industry. That also should be done at this session, as well as continuing to exempt from the sales tax, oil drilling machinery and pipe which is at present so treated, and extending this concession to all oil production.

At the 1947 session I asked that this concession be extended to a piece of machinery known as heater-treater used for separating oil as it comes from the well from the sand and water with which it is mixed in the plains-wells area. The government refused to take that action, and that is another thing they might very well do at this session.

If the government considers that the development of Canadian oil fields is now vital to our economy, I call upon it to take the steps I have indicated, which would unquestionably increase drilling and thus production.

I should like to mention the extent to which Alberta oil production has met the oil needs of the three prairie provinces, and what can be expected in the immediate future. Alberta, Saskatchewan and Manitoba at present require 40,000 to 42,000 barrels of oil daily. Production at the end of 1947 was approximately 24,000 barrels daily, or a little more than half the amount required and used. Of this, approximately 14,000 barrels come from Turner valley and the other 10,000 barrels from the other newer fields. These fields, on their present known size, can be expected to double their output in 1948. However, Turner valley production is decreasing, and is expected to be down to 2,000 barrels a day ten years from now. These present known fields must be extended, and probably new ones found, if the west is to be self-sufficient in oil in two years' time. This is the position which oil men are confident will be attained. If several new fields comparable with Leduc can be found in Alberta—and there is every hope that they can be and will be—production to meet a major part of Canada's requirements will be secured.

A very large amount of exploratory work is going on in western Canada at the present time. Some twenty-eight geophysical crews of about fifteen men each are in the field now, and they will cover hundreds of thousands of acres this year. On the basis of the data they gather, many new exploratory wells will be drilled. At the moment they are drilling or rigging up in Alberta, exclusive of the Lloydminster area, which straddles the Alberta-Saskatchewan boundary, some seventy-four wells, which will be going down in the course of a few weeks. Of these, twenty-eight are in the Leduc area and nine in Turner valley.

[Mr. Harkness.]

Most of the other thirty-seven are being drilled in efforts to find new fields. In other words, they are drilled as exploratory wells, and there is every hope that some of these thirty-seven will lead the way to new fields such as Turner valley and Leduc.

The promising oil picture in Alberta at the present time should not, however, be used as a reason for doing nothing on the other two methods I mentioned at the outset, methods which are open to us to make ourselves self-sufficient in oil and its derivatives. Research and experimentation to develop an economic method of extracting oil from the McMurray sands should be carried forward vigorously. It is a great pity that the dominion government gave up the work they were carrying on there during the war. I believe it was a short-sighted policy to do so, and that mistake should now be rectified. Another pilot plant should be started immediately.

The Alberta government, I am glad to say, is continuing its work on these tar sands, but the development of a method which would give us a supply of oil for the whole dominion from these sands is a national responsibility, and that responsibility should be assumed by the dominion government as it was during the war. If the dominion government, at that time, thought it was good business to try to discover means of utilizing these tar sands and extracting oil from them, I suggest that, in view of the present world situation and the oil short situation in the United States, it is even more necessary to continue that work now.

Mr. BLACKMORE: The Alberta members are deeply interested in this subject, and I was wondering whether the hon. member would suggest to the dominion government that it grant Alberta a considerable amount of assistance so that they can go forward with their project more rapidly than they are doing. Would the hon. member be prepared to do that?

Mr. HARKNESS: I should be very happy at any action the dominion government might take to carry forward experimentation on these tar sands; but whether it is done by a grant to the Alberta government or through the erection of its own plants I do not care, so long as it is done. Certainly it must be done.

Mr. SMITH (Calgary West): It is a national problem.

Mr. HARKNESS: It is undoubtedly a national problem and should be dealt with on that basis. The erection of plants to produce synthetic gasoline is also a national problem.

Apparently the United States government are going to erect such plants in their country as a defence measure and, in view of our own dependent position as far as gasoline is concerned, I think we should be taking some steps in the same direction. We have abundant supplies of the chief raw material, coal, and I may say that we have that in good quantities in at least three widely separated areas in the country.

The liquefaction of coal may well prove to be the means by which our rather badly distributed supplies can be economically used throughout the country, particularly in the central section. It would seem to me that the expenditure required for one or two pilot or test plants would be an excellent investment in Canada's future, and an insurance against the position we may find ourselves in, if denied oil from the United States. An embargo on oil exports from the United States would be an absolutely crippling blow at our whole economy. If such an embargo were put into effect we would really have austerity, and it would be Austerity with a capital A. When I say that I am not thinking so much of the fact that all cars would disappear from our highways as of the fact that a large part of our farm lands could not be seeded and the crops harvested or got to market, and the consequences in other industries would be nearly as serious.

I shall leave this subject by saying the government can no longer delay taking vigorous steps to ensure an oil and gasoline supply from our own resources. It can be done, and I say it must be done and done now.

I should like to touch upon another subject, the sales tax. At its current level and in our present circumstances, this tax should be eliminated on a number of commodities and reduced on others. I am not talking of liquor, tobacco or other commodities which are luxuries or non-essentials—I am referring to that great range of articles of food, clothing, household cooking utensils and so on, that everyone in this country must buy in order to live. The sales tax causes a rise in prices much greater than is apparent on the surface. It is a double-barreled weapon in that it increases the cost of producing nearly every article manufactured in this country, while on the other hand it raises the cost of the finished article to the ultimate consumer. When the profits of the distributors are pyramided, along with the tax, you have a cost to the consumer altogether out of proportion to the amount the government collects.

In addition, the tax is applied in a discriminatory way in some cases. The tax on newsprint used by newspapers is an example. Daily newspapers are in competition with both Canadian and United States magazines for their chief source of revenue, which is advertising; yet neither Canadian nor United States magazines pay this tax. In fact the tax does not apply to newsprint used by week-end newspapers which do not have a news section. For example, the Toronto *Star Weekly* has no news section, so that it does not pay the tax. On the other hand, other week-end newspaper editions with news sections have to pay the tax on all the newsprint used in the edition. Furthermore, the newsprint used to produce comic books and pulp fiction is not subject to this tax, though the government considers such publications so unessential, and many people consider them harmful, that under the present restrictions on imports they are banned from Canada. The unfairness of the eight per cent tax on newsprint, as at present applied, I think is quite manifest. In addition to this unfairness, it has entered into the increased cost of newspapers. Last year the two Ottawa newspapers increased their price from three cents to five cents a copy and, as I remember it, the main reason given was the increased cost of newsprint. Newsprint now runs at over $80 a ton. Thus the tax is well over $6 a ton, which is not an inconsiderable item. It has been an important factor in the increase of 66⅔ per cent in the price the consumer in Ottawa pays for his daily paper.

There are one or two other matters on which I should like to touch briefly. The new farmers' income tax form and income tax and account book have been dealt with by the hon. member for Souris (Mr. Ross) and the hon. member for Portage la Prairie (Mr. Miller), so that I need say only a word about the matter. I have been wrestling with the wretched thing for the last two weeks, and I can assure the minister that not one farmer in a hundred will be able to fill it out correctly. I have had considerable bookkeeping experience of one kind and another, and I would say the betting is very much against my getting that form filled out correctly. So that I am quite sure the average farmer, who has had no bookkeeping experience, will be completely lost. It is a very nice form, and from an accounting point of view the book is well set up, but one of two things is needed to make it a success. One would be a course for farmers in how to operate the thing and how to carry on bookkeeping. The second would be a complete change in the nature of our farmers. Since neither of these would seem to be possible, I suggest to the minister that his department try to get something else which will be workable.

I want to mention one other matter because it concerns the Indian affairs branch, and for some considerable time I have been identified with an effort to improve conditions for our Indians. I have received information—which I hope is not correct, though I have reason to believe it is—that there is a certain amount of political interference and finagling in connection with civil service appointments in the Indian affairs branch. In the interests of our Indian population, I do not think anything of that kind should be allowed in this country. I understand that the position of chief inspector of agencies became vacant when Mr. Christianson, the former inspector in Saskatchewan, was retired after having held that position for some time. A competition was announced, and a number of the senior officials of the department applied for the position, together with the private secretary of the Minister of Mines and Resources. The selection board of the civil service commission, or whatever it is called, conducted the competition and recommended for appointment Colonel Randle, superintendent of the Six Nations reserve at Brantford, which is the largest Indian reserve in Canada, where Colonel Randle has carried on successfully for a number of years.

I am informed that this recommendation was not accepted. Another competition was announced, and for this competition the qualifications were changed a bit, apparently to make it easier for one of the other candidates to obtain the appointment. Once more the competition was held and once more the selection board recommended Colonel Randle on the basis of his past record, his wide experience and so on. For the second time the recommendation was not accepted, and now I understand that another competition is to be held or has been held. For this competition they have changed the title of the job. They are not going to call it chief inspector of agencies; they are going to call it executive assistant; I suppose that gets away from the necessity of having experience. They have also changed the qualifications, and I understand the general idea abroad is that all these changes have been made for the purpose of securing the appointment of the minister's private secretary. I know the private secretary. I have a very high regard for him and nothing in the world against him. But I think a job of this kind, particularly in the Indian affairs branch, should be given to a man who has acquired, over years in the department, the experience which is necessary in order to carry on the work. I object most strenuously to any fiddling of this kind with appointments in the Indian affairs branch, and I would ask that the Minister of Mines and Resources (Mr. Glen) make a statement in connection with the matter.

[Mr. Harkness.]

Mr. RENE N. JUTRAS (Provencher): Mr. Speaker, first I should like to congratulate the mover and the seconder of the address in reply to the speech from the throne and to point out that they were both constructive in their speeches. I assure you I shall endeavour to follow the example they have set.

Today I wish to deal more particularly with the wheat question in this country. It is still one of our basic industries, at least out west, and it takes on added importance because I think it is commonly agreed that most agricultural products are directly or indirectly affected by the price of wheat in Canada. So from this point of view it is one of the most important questions facing parliament and the country at the present time.

We have heard a great deal about wheat. Much was said in the short session before Christmas, and more has been said since we resumed our sittings in the New Year. I suppose one of the greatest points of contention thus far has been in connection with the wheat agreement signed in 1946. I hold the view it is hardly fair to judge it because, after all, it has run only about half its course. However, many people have been busy in the last few years trying to discredit these agreements, and the policy of the government.

Some have been doing it as a matter of principle, because it did not meet with their general ideas of trade. That is their privilege. Others, however, have been going into the country and, through the press, have tried every means possible to discredit the agreement in order to gain political capital or to improve their political stock. There are others, too, who have followed the same practice throughout the country because the agreements interfered with their personal profits or businesses.

I believe this criticism begins and ends almost exclusively with the propaganda which has been put out through the medium of the research department of the Searle Grain Company of Winnipeg. Every second week they have sent out a letter. I have no doubt members of parliament and many other people throughout the country have received them. Those letters have been sent out in an effort to convince the farmers that they have only one group of friends in the country, only one group of benefactors, and that all these gentlemen were in the grain exchange at Winnipeg. This propaganda has pointed out that through the present policy the farmers had lost colossal sums, amounting to millions upon millions of dollars, and increasing every day.

The propaganda is impressive in many respects. First of all, it is put out by an old and reliable grain company which has been operating for many years. It is also expensively printed and a well-turned out job. As they point out from week to week, it is supposed to be the product of a research department. Therefore it is only right to assume that the average man reading this propaganda would take it for granted that these facts and figures bear at least some resemblance to actual facts.

Before I begin taking this propaganda to pieces, let me make it clear that I have no personal animosity toward any grain company or, so far as that goes, toward the grain exchange. However, I suggest that this company has taken upon itself a tremendous responsibility when it goes out to feed the public deceitful propaganda and uses fictitious figures based upon an imaginative and unreal situation, in its effort to raise a protest throughout the country. This is more particularly true when the farmers, not the company, are the losers, should the inflated bubble presented to them explode in their faces.

The objective is quite clear. The company wishes to have the grain exchange reopened. As I have pointed out, the methods thus far followed are those of dangling inflated prices and boldly to give the assurance that these prices can be had, if the farmers would only pass their business through the door of the exchange. Not a word is said about what took place prior to the day the exchange was closed.

Fortunately, thus far the farmer has been cautious; so much so indeed, that one is almost inclined to reach the conclusion that at least at the beginning he has been somewhat suspicious. I believe it is true to say that a great many, if not all of the official opposition in the house, have swallowed the propaganda—paper and ink. If one looks at the record he will find that many of them have quoted these letters regularly. Even that reputable newspaper, the Winnipeg *Free Press*, has occasionally given a certain amount of publicity to those figures in its columns, although, generally speaking, it has maintained a guarded attitude and has left responsibility for the accuracy of the figures on the shoulders of the company issuing them.

Mr. ROSS (Souris): Do you dispute the accuracy of them?

Mr. JUTRAS: I certainly do, and I will spend the next thirty minutes in disputing those figures.

Mr. ROSS (Souris): That is an invitation. Would the hon. member permit a question?

Mr. JUTRAS: Certainly.

Mr. ROSS (Souris): Does the hon. member dispute the accuracy of any of the figures contained in the Searle index put out each second week?

Mr. JUTRAS: I just said so; that is what I said. And I will spend the next thirty minutes in disputing those figures.

Mr. KNOWLES: Apparently the hon. member for Souris accepts them.

Mr. ROSS (Souris): He certainly does.

Mr. JUTRAS: The hon. member for Souris has so consistently placed those figures on the record that one must inevitably come to the conclusion that, had he the responsibility of administering the affairs of the country and of the farmers, he would place the faith of the farmers entirely in the hands of the Searle Grain Company in the next few years.

I believe I have here all the letters of the Searle Grain Company issued in the last two years. Of course I have not time to read them all, but I shall take as an example the one of June 5, which appears to be a summary of the letters preceding it. It states:

Out of this fog of sentimental delusion about the future emerge—

And I ask the house to note this:

—certain cold harsh facts which now adversely affect the farmer's income and his pocketbook.

If I were to read the entire letter it would be clear that, again and again, the experts use the expression, "A simple calculation will show." With them it is always a simple matter to prove their figures. As I read these letters from week to week in the last year, I could not help being reminded of Lord Haw-Haw, at the time when he lectured the people in Great Britain. I remember one evening he spoke over the radio about twelve o'clock and, to impress the people that he knew what was going on in England, he said, "Ladies and gentlemen, to show you that I know what goes on, let me tell you that this very minute Big Ben is two minutes slow." That was twelve o'clock at night; England was in a blackout; no one could check the clock until next morning, and by that time many people assumed that the timekeeper had set the clock right. I know from the reaction of the public that he did manage to impress a great many people with the belief that he actually knew at any given moment what was going on in England. Mr. Strange, who, I understand,

is the one and only and, as a matter of fact, the entire research department of the Searle Grain Company—

Mr. ROSS (Souris): That is not a fact either.

Mr. JUTRAS: I beg your pardon.

Mr. ROSS (Souris): That is hardly a true statement either.

Mr. JUTRAS: Well, he computes all these letters, and has the entire responsibility for them. That company has set this out on many occasions in its letters. When he went to England later on, that part of the letters was suspended until he returned. We now come to the details, and this is the first line of the propaganda:

American farmers just across the international line are today receiving the equivalent of $2.18 for their wheat.

Then it goes on to compute that on the basis of the $1.55 payment. That letter is dated June 5, 1946. If one takes the trouble to check the Chicago market for that day he will find that there is no quotation of $2.18 or anything like it. If you check back you will find that there was a quotation of $2.18 in the beginning of May, but it dropped after that.

That is another point to be noted. In his distorted statement he says that the United States farmer just across the international border is receiving that price. This gentleman has not reached the realization that the United States farmer never did receive that price, and I do not suppose he ever will. Even if Chicago had quoted $2.18 on that day, there would not be a single farmer in the United States who would have got $2.18 for his wheat. The same thing applies here. When the Winnipeg grain exchange shows a certain quotation on a certain day there are very few farmers who will get that amount for their wheat. At the very least he would have to deduct the amount of freight from his farm to the exchange. To come out boldly and say that the United States farmer actually gets $2.18 is absolutely erroneous.

I took the trouble to check with the United States department of agriculture to find out what the United States farmer received. The bureau of agricultural economics of the United States department of agriculture puts out an interesting publication entitled, "The Wheat Situation". That contains the average prices received by the farmers, not by the grain exchange, not by the companies dealing in grain, but by the farmers. What do we find? Since this letter is dated June 5, 1946, I suppose it would be only fair to take the average for May, 1946, and this average was $1.70.

[Mr. Jutras.]

That is the average price received by the United States farmer in the month before this letter was published. I point out again that this figure of $2.18 is purely an imaginative or entirely fictitious figure.

I shall not spend any more time on this letter. A year later, the wheat board started computing a No. 2 price and then this company immediately dropped the figure of $2.18 as a basis of its calculations. It adopted the class 2 price of the wheat board. Before I leave this $2.18 figure, may I say that a reputable institution like the Winnipeg grain exchange put out a series of advertisements which appeared in the most important newspapers of Canada and which were based on this $2.18 price. I shall not read the whole advertisement, but there is one sentence right in the centre in large letters which I should like to read because it is the only one that makes sense. This sentence reads:

The whole thing doesn't make sense.

That is about the only true statement in the whole thing. It ends with:

Act—Protest—and protest loudly and long.

And again:

Demand that your elected representatives secure for you justice and equality of prices. If not—protest. Protest.

That advertisement was put out on the strength of a fictitious argument advanced by an official of one country and it was distributed throughout the country.

Mr. MILLER: Will the hon. member permit a question?

Mr. JUTRAS: Certainly, but hurry up as I have not much time.

Mr. MILLER: What is the difference on which that loss is computed? The $2.18 is the high point, but what is the other figure?

Mr. JUTRAS: They take the $2.18. They make no bones about it. They do not take the average.

Mr. MILLER: What is the low figure? Where is the difference?

Mr. JUTRAS: The hon. member must be under a misapprehension.

Mr. MILLER: You are.

Mr. JUTRAS: I did not give the lowest figure. No one here has submitted the lowest figure.

Mr. KUHL: What was the corresponding Canadian figure?

Mr. JUTRAS: I gave the average price received by the farmer in the United States.

Mr. MILLER: You said that the losses were computed on a false figure, and you mentioned that as being the figure of $2.18. What is the figure you had that it was computed on?

Mr. JUTRAS: I shall come to that later. I cannot deal with four things at the same time.

Mr. ROSS (Souris): He is just the new wheat expert.

Mr. JUTRAS: There is no use in continuing with the calculation based on $2.18 because they dropped it. I am going to take their other figures.

Mr. MILLER: What do the farmers clear in your riding? How much do they net?

Mr. JUTRAS: I shall give you that in a few minutes if you will only give me time.

I come now to another letter. I believe this is the latest, although there may be another one that has come in since. It sums up the propaganda in the first line by saying:

> From August 1, 1946 to December 31, 1947, a period of 17 months, the loss taken by our wheat growers on the wheat they have delivered to country elevators comes to the following staggering sums, all as compared with what farmers would have received had they enjoyed the full world price set daily by the Canadian wheat board itself for class 2 wheat.

That letter is dated January 21, 1948. Another sentence reads:

> (a) On the wheat hauled by farmers and intended for shipment to Britain, 296 million dollars.

First of all, let me say that I am surprised that the Searle Grain Company put any faith in a price set by the board. All through these letters they attempt to show that any time the government or the board sets a price it is only a fictitious price, one that will not endure and consequently one that has no value. Yet it is on that very basis that they attempt to show these losses.

The hon. member for Souris, in line with the Conservative party's propaganda, tried to establish the fact that the No. 2 price of the wheat board was the true world price. Personally I wish it were, and I am sure that a great many people in this country do, because then all our troubles would be over. The wheat situation in this country would then be very simple. All we would have to do is to close all the exchanges and have one of the three officials of the board take a pencil, look at the Chicago market quotation, add the protein value of our wheat and its intrinsic value —I believe in class 2 there is also a small allowance for market variation—and then we would have the price of Canadian wheat.

Mr. ROSS (Souris): How is the price arrived at now?

Mr. JUTRAS: We shall deal with wheat first. Don't change the subject if you don't like it.

Mr. ROSS (Souris): I am asking how the price is arrived at now?

Mr. JUTRAS: I was going on to say that the situation is not that simple. You cannot just take a pencil and figure out the price. If you want the world price, there are all kinds of world prices at the present time. Let us go back to 1946-47. In the United States they have a system of computing what they call a parity price and they try to maintain the market at 90 per cent of that price. I have all the figures here on that parity price. The average price to the United States farmer in 1946-47, as given by the department of agriculture, U.S.A., was $1.91.

In Canada, during the crop year 1946-47 we had three prices: first, the domestic price, due to change in the middle of the year, averaged $1.40. The price under the United Kingdom wheat agreement was $1.95. All these prices are based on Fort William. The average class 2 price in Canada has been $2.44. Which of those prices is the world price? That is the question.

Australia sold some wheat to Britain at $2.72. On the other hand, it sold a considerable amount to New Zealand at 92⅔ cents, and it sold some to India at $2.96. Wheat for domestic consumption is 98 cents for poultry feed and 79 cents to feeders. On the average, the farmer would get $1.56 for wheat produced in Australia.

In New Zealand the farmer receives $1.28. On the other hand, New Zealand bought some wheat from Australia at 92⅔ cents.

In the Argentine—I am taking countries competing with Canada in the export market —wheat sold at $3.60 and some at $5, no doubt a small amount. They sold some to Brazil at $4.85 and wheat for home consumption at 77 cents, and the farmer is supposed to receive, on the average, from $1.45 to $1.65.

Out of this conglomeration of prices, who can pick one price and say that is the world price when there is no exchange in Liverpool, no exchange in Winnipeg, and it is only in the last few months that the Chicago exchange can be said to have been operating freely. If we average the prices what do we find? Australia's price is somewhere in the neighbourhood of $1.80. Then, if we take the average price in the Argentine, and add them together and divide we get an average price of $1.89. I do not suggest for one minute

that that is a price which has any real value, but it gives one an idea how utterly impossible it is for anybody to arrive at a true world price of wheat. Probably the best criterion and the one most commonly used in this country is to take the United States price as compared with Canada's, and this I propose to do. As I said before, on No. 1 they figure a loss of $296,000,000. That is for the wheat shipped to Britain.

Mr. BLACKMORE: The Searle index.

Mr. ROSS (Souris): Based on government figures, too.

Mr. JUTRAS: No, not at all. I am going to show just the opposite. The wheat sold to Britain in 1946-47, covering a period of from twelve to seventeen months, amounted to $168,000,000. The average price received by the United States farmer, according to the index I have just quoted, is $1.91. On that portion of our wheat which went to Britain we received—I might say that in my district we have to deduct twelve cents for freight, and I am deducting fifteen cents to get the net price to the farmer in that vicinity—we received $1.40, or fifty-one cents less than the average price received by the United States farmer. Multiply fifty-one cents by 168,000,000 and you get a loss of $85,000,000.

Then, taking the crop year again for 1946-47, 53,000,000 bushels went to bread eaters for home consumption, and the United States farmers received $1.91 and the Canadian farmers $1.25, or a loss of sixty-six cents, so that the total loss to the farmers on those 53,000,000 bushels was sixty-six cents multiplied by 53,000,000, or $34,000,000.

Then there is a third price in Canada. There is a class called class 2. Our average export since the beginning of the wheat agreement for 1945 and 1946 was 74,000,000 bushels for those two years, and the net price to the Canadian farmer would be $2.29, as compared with the United States price of $1.91. That will give the Canadian farmer an advantage of thirty-eight cents on 74,000,000 bushels, or a total of $28,000,000. There is another important factor that should not be lost sight of. When the Winnipeg grain exchange and the Chicago exchange were working on a free basis I am given to understand, and the minister stated in a speech not very long ago, that there was always a difference of approximately thirty cents a bushel between the Chicago and the Winnipeg price. We know there is a difference of about thirty cents at all times, and even today there is that difference between the Minneapolis and Chicago exchanges. I am given to understand that this difference of thirty cents a bushel has always existed with the exception of a few years here and there in the past. Therefore, irrespective of the fact that we have a monopoly board at the present time and that wheat has been handled exclusively by the board, even if we had a free exchange we would have had that difference of at least thirty cents a bushel.

If we multiply 261, which is the Canadian production, less the No. 2 export which we have just calculated, we would be left with a difference of $78,000,000. Therefore, after the simple calculation is finished we get a difference of 3·8 cents between the amount actually received by the United States farmer and the amount received by the Canadian farmer.

Mr. ROSS (Souris): Oh, oh.

Mr. JUTRAS: I know the hon. member for Souris is surprised, because he has been advocating something entirely different, and singing an entirely different song. I do not claim that these figures are exact, because I have not all the facts and figures, but I can certainly make the claim that they are as accurate as I could possibly make them. I have tried to be as accurate as I possibly can. I have tried to check the method of computing the 1944 crop, for which we have a complete statement, and to my surprise I was away below what was actually received by the farmer. I hope that I am below the amount in this case.

To continue with this propaganda it says here:

> It will be remembered, too, that prior to the start of the wheat agreement August 1, 1946, the government had marketed our farmers' wheat for several years at less than the world price. These losses to farmers for the years 1943, 1944 and 1945, come to an additional $409 million.

I have quoted from the Searle Grain Company Limited letter. I am going to oblige the Searle Grain Company; I shall not only go back to 1943, 1944 and 1945, I shall go back to 1942 and 1941, because in 1942 the grain exchange was in operation, and the grain exchange was in operation in 1941. It will be very interesting to look at the past, as they said, prior to the close of the grain exchange, and during the time the grain exchange was open. What do we find in the year prior to the wheat contract, of 1944-45? In 1944-45 the grain exchange was closed and the wheat board bought all the wheat at an initial price of $1.25 a bushel. Later on, it paid a participation certificate of 18·6 cents, making a total of $1.436. The average price received by the farmers, according to the index, was $1.41, as against $1.43. The $1.41 is the price received

in the United States by the farmer; whereas I am quoting $1.43 Fort William. Therefore we shall have to subtract fifteen cents from $1.43, which will show us the ratio for that year between the price received by the United States farmer and the price received by the Canadian farmer. The ratio is thirteen cents.

Mr. ROSS (Souris): Oh, oh.

Mr. JUTRAS: I see that the hon. member for Souris is laughing. I do not know why. These are statistics—

Mr. ROSS (Souris): I wish he did not have to laugh.

Mr. JUTRAS: These are statistics published by the government.

Mr. ROSS (Souris): Send copies of the speech to the farmers in my riding.

Mr. JUTRAS: I will do that. In 1943-44 the minimum price paid was $1.25, and then a participation of twelve cents was paid, making a total of $1.37. The average price received by the farmer in the United States was $1.36. The ratio there was fourteen cents.

We now come to 1942-43. At that time the wheat board and the grain exchange were operating. In that year the board received 68 per cent of the marketing, and the remainder of the crop was handled by the grain exchange. The minimum price at the time was 90 cents and a participation of 12½ cents, making a total of $1.02½. The average United States price to the farmer was $1.09; the average price in Canada over the exchange for that year was 94 cents; therefore, through the medium of the board the ratio was 22 cents; whereas had they all sold through the exchange the ratio between the United States and Canada would have been 30 cents. Furthermore, had all the farmers sold their wheat to the open market on that average price they would have lost $24,000,000.

Then, again in 1941-42 the initial price was 70 cents, the participation 15 cents, making a total of 85 cents. The average United States price was 94 cents. The average market price in Winnipeg was 76 cents, which meant that through the board the ratio was 24 cents; through the exchange, 33 cents. Had all farmers sold their wheat through the open exchange, they would have lost $21,000,000.

In 1940-41 the minimum price was 70 cents; participation, 6 cents, making a total of 76·2 cents. The average United States price to the farmer was 68 cents; the average market price was 74 cents. Here again, had all farmers sold through the open exchange, they would have lost $9,000,000. In addition to that, the wheat board paid $6,000,000 in storage to the farmer. I do not know whether I can give all the years. It is the same story all the way through.

Mr. MILLER: May I ask a question? I want to know first what the hon. member is reading from. I want to know that in order to follow him.

Mr. JUTRAS: I am reading from my own figures.

Mr. MILLER: The hon. member is the expert.

Mr. JUTRAS: No. All these figures will be on *Hansard* and the hon. member can check them against the wheat board report, which is an annual report. The other set is taken from the publication which I mentioned a while ago. It is the average marketing price per month and per year issued by the department of statistics.

Mr. SPEAKER: Order. I am sorry to interrupt the hon. member but he has exhausted his time.

Mr. ROSS (Souris): Let him carry on.

Mr. SPEAKER: If he has the unanimous consent of the house.

Mr. ROSS (Souris): Go ahead.

Mr. JUTRAS: I must apologize, Mr. Speaker. I thought I had until six o'clock, and I was trying to get along on that basis. Unfortunately I must have started before 5.20 p.m. However, I shall try to sum up. As I said, I could go on with all the previous years, but I wish to bring to the attention of the house the year 1936-37. That is one of the few years in which the grain exchange functioned on an individual basis. What I mean is that in that year, as the house will recall, the minimum price of the board was applicable only if the market fell below 90 cents.

The wheat was marketed through the Winnipeg grain exchange and there was no board that year. There is an interesting factor here. I have the amount of wheat that was marketed per month; if you take the amount marketed by the farmers during the first four months of that year, you find that 78·5 per cent of all the wheat produced by the farmers in that year was marketed during the first four months of the year, and the average price for the first four months was $1.06, whereas the average price for the other eight months of the year was $1.30. Here again, if we wanted to make a comparison we could well say that

the farmers in that year received $32,000,000 less than they would have, or, to put it in another way, that they lost $32,000,000.

Just to show how ridiculous these calculations made on theoretical figures can be, it is interesting to note for instance that if we base our calculations on the price the United States farmers are receiving, on No. 2 price, the United States farmers could be said to have lost $381,000,000 because our No. 2 price is above the United States price; and if we compare the price to the United States farmers with the price received by the farmers in the Argentine, $5, we get the colossal loss, on the part of the United States farmers, of $3,467,000,000.

In conclusion, I should like to make a few recommendations to the Minister of Agriculture (Mr. Gardiner). I know the minister has already announced that he intends to raise the initial price, and I think it is commonly agreed that it is high time the initial price of the wheat agreement was raised. The government recognized that necessity in the past. It has raised it on one occasion and I know it will raise the price again. I would point out to the minister that the price of domestic wheat should be raised without further delay to at least the level of $2. For a great many years the domestic market in this country accounted for only 15 or 20 per cent, whereas today—I have the figures but I have not the time to quote them—the domestic market takes so great a proportion that it is an important factor in the framing of our policy. I therefore urge the minister to raise the domestic price of wheat without further delay, even before the No. 2 price to Britain comes into force.

Mr. GREGG: On a question of privilege, earlier in the afternoon the hon. member for Weyburn (Mr. McKay) quoted from a report stating that thirty-one per cent of the veteran students at universities had discontinued owing to lack of finances. I interjected that I knew that report to be incorrect. The hon. member asked that I submit the correct figure, and with your permission, Mr. Speaker, I should like to do so now, because I feel it is important that such an exaggerated report should not go out. Out of the 32,000 veteran students in universities, the closest check indicates that the number of students who have discontinued their courses, with lack of finances as the main reason, stands at sixty-three students since the beginning of the plan, or, in other words, approximately one-fifth of one per cent.

At six o'clock the house took recess.

[Mr. Jutras.]

After Recess

The house resumed at eight o'clock.

Mr. J. W. MURPHY (Lambton West): Mr. Speaker, for a moment or two I should like to touch on the tourist industry; as usual, my subjects are non-partisan. When I spoke in this house during my first session here, in 1945, I urged the desirability of greater recognition of what I thought was our greatest potential industry in this country; that is, the tourist industry. At that time I suggested that this industry warranted a cabinet minister without too many other responsibilities. I believe it is the opinion of many that this would be most desirable. At the moment it does not seem the tourist bureau is doing justice to what we have to offer in this country, and I would suggest to the government that there are other ways in which this industry might be stimulated. They might have a deputy minister to look after it, or they might have a commission. Those provinces which are paying a great deal of attention to that industry are benefiting from their efforts. If we could have a tourist commission representative of all the provinces, which would be a permanent body, it could more or less correlate the work necessary really to promote the industry. We have representatives of the Department of Trade and Commerce in all parts of the world to develop our export trade, but I think many hon. members will agree that we are not taking advantage of what we in this country have to offer by way of attractions for tourists.

When I spoke in 1945 I said we had and would continue to have a need for United States dollars, and this is one way in which we can obtain those dollars without exporting goods. Instead, we have emissaries of good will who go back to their own country and bring more tourists here. At that time I think I showed that all segments of our society benefit from this industry. Everyone, no matter how he may derive his income, benefits. Of course we did not try to promote this industry during the war, but the war has been over for two or three years, and I think it will be generally agreed that some lead should now be given by the government to co-ordinate the work of the different provinces, because it is to the benefit of all. At that time I illustrated what I had in mind by a little story. Nine men sat down to a table which was covered with good things to eat. Their arms were tied in such a way that they could not raise their forks or spoons to their own mouths. They solved that problem by having each man feed the person to his left. If the

dominion and the provinces could co-operate in somewhat the same way it would increase our supply of the much required United States dollars and benefit all.

I have had some returns brought down by the department in connection with this industry, and from them I see that most of the money to be spent on the development of this industry has been spent on advertising. I am not quarreling with the way in which the money has been spent; I believe the department should have more money for other purposes, and I also believe that if we had some government leadership such as those indicated, more attention would be given to this industry. For instance, in a return brought down just the other day I notice that last year the travel bureau under the Department of Trade and Commerce spent $768,000, of which $618,000 was for advertising. If we are in business we know that if we have a good product to sell we must certainly advertise it. I for one believe that if more attention were given the tourist industry our revenue from that source would increase immeasurably. According to the same return, I notice that total expenditures in Canada by United States citizens was $214,000,000 in 1946. I see no reason why we should not develop this industry to the point where these tourists will spend a billion dollars annually. We have everything to offer, even more than Switzerland, where the tourist industry is practically the only source of income.

I suggest to the minister now in charge of this department that steps should be taken to promote this industry. I believe one way of doing so would be in connection with films we get from Hollywood. We could arrange a barter. We might have films made in each province of Canada and, in addition to the advertising we do in United States publications, by means of this barter we could have these films shown throughout the United States, advertising our scenery and natural playgrounds. I notice also, according to this return, that the only person in that bureau who speaks on these matters in the United States is the director himself, whereas I believe they might well have ten, fifteen or twenty speakers travelling through the United States, speaking to service clubs and other organizations and we would be well rewarded. The first people these Americans meet when they enter our country are very important to them, because the first impression is usually the one that lasts. I should like to pay tribute to the customs and immigration officials we have in our employ in the Dominion of Canada. They are courteous and efficient. I believe the department should give careful consideration to the wages or remuneration these men are receiving, in view of the duties and responsibilities they have to perform.

In all fairness to these employees, the department should consider what United States immigration and customs officials are getting, because we on the border—and this applies to all border points—have Canadian customs and immigration officials going into the United States and coming back to the border by train. Then, we have United States customs and immigration officials coming into Canada, and returning to the border. On those same trains are either American or Canadian engineers and conductors. If we make a comparison I believe we shall find that the remuneration of these railway employees compares favourably with each other, and I suggest that there should also be a fair comparison between the pay received by Canadian customs and immigration officials and that received by those employed by the United States.

I regret to say that a comparison of pay between Canadian and American customs and immigration officials at the present time does not disclose that our officials are as well paid. I have not time to give details of figures, but I want the house to know that these men are not drawing much more than 60 per cent of the amounts drawn by United States customs and immigration officials; yet they are doing the same work. I do hope that these men will receive the consideration they deserve.

In the next few minutes I should like to deal on a non-partisan basis, with the Veterans Land Act, and the general subject of VLA housing. However, before going into details of what I purpose saying I should like through you, Mr. Speaker, to express to the new Minister of Veterans Affairs (Mr. Gregg) the wish that the people of this country will have as high a regard for his administration of the department as they have for his honour in achieving such a splendid war record.

What I have to say is factual. I appreciate that the present minister was not in the government until recently, and I trust that he will not take as a personal attack any criticism which I may have to offer, because I shall be fair in what I have to say. May I also emphasize my high regard for the deputy minister of veterans affairs, a man who holds the respct and good will of veterans throughout the country. It seems to me that the

administration of the Veterans Land Act may be the only blot on the department; and I believe I am expressing not only the wish of veterans, but that of many other people when I say that I hope the department will now endeavour to correct the injustices which the veterans justly allege, and which I allege, have been perpetrated on them in the past.

In order that there may be no misunderstanding, let me point out that on February 4, 1947, I spoke in the house and demanded a royal commission. After having recited certain particulars, which have since been verified to the satisfaction of a great many people, I said:

> I demand that a royal commission be appointed to inquire into all contracts for purchases of land acquired for small holdings under the Veterans Land Act, to inquire into all contracts for the building of homes for veterans under the Veterans Land Act and contracts for the construction of roads the installation of water mains and other costs involved in the purchase of these homes.

I repeat that demand tonight. And I am going to add to the demand for a royal commission the request that it inquire into the administration of the Veterans Land Act. I hope the few remarks I shall have to make will warrant the government's granting this demand.

When on that occasion I asked for a royal commission, we did not know as much as we later learned; and certainly did not know what we know today. I sincerely believe we were entitled to a royal commission at that time; and certainly I believe today—and there can be no question about the sincerity of my belief—that the veterans of this country are entitled to a royal commission to inquire into the facts of the matters the investigation of which I have sought.

It must be borne in mind that these veterans were young lads without homes. They wanted homes as badly as did other people, and most certainly they were more entitled to them than were many others who had them. In all fairness to the government, I must say that it did provide roofs over the heads of these veterans, and provided them at low monthly payments. I would be most unfair if I were to rise in my place in the house and say otherwise.

I should like to bring the house up to date on what has happened. In the first place, I entered this scrap for no political purpose. I entered it on behalf of the veterans; and I have told them that when they are satisfied I will quit, and that I will not quit before they have had a fair deal. At this time I should like to pay tribute where tribute is due. I do not think we would have had this

matter before the public accounts committee, where so much information was revealed with respect to what has already taken place had it not been for the support of the press across this country. And in this connection I pay special tribute to the press of western Ontario including the Windsor *Star,* the Sarnia *Observer,* the London *Free Press* and many others. At this moment I should like to pay special tribute to one who is most responsible for the matter being brought thus far. As a matter of fact, he is now in the press gallery, and is none other than the representative of the Windsor *Star,* who brought this matter to my attention in January, 1947.

As the house knows, I was approached in January by some veterans who had received an ultimatum from the department, and the particulars of that ultimatum were recited by me at that time. They were told that either they would agree to buy their homes within a week or they could stay in until May 1 and pay rent, but by the end of May they would have to vacate. I investigated the houses, but I shall not recite now what I found out. Hon. members will recall the details I gave in February, 1947, and can read what came before the public accounts committee. Along with contractors I investigated these houses in Sarnia and Windsor and I am prepared to say that I advised the veterans to seek a new contract. I thought, and I think everyone who is fair will agree with me, that they were entitled to that. I think I should take this opportunity to say that the veterans are grateful for the support they received from other hon. members on this side of the house in their demand for a royal commission.

At that time I was not aware that there were other areas in Canada as bad as either of these two areas, but it was afterwards admitted before the public accounts committee by the director of the Veterans Land Act that other areas were just as bad as Sarnia, which, of course, was terrible. He referred to such places as Sackville, New Brunswick; Boucherville, Quebec; and Braefoot, British Columbia, as being in the same category.

I think it was on March 3, 1947, that the veterans in these areas who had not signed up received another ultimatum which was dated Toronto, March 3, 1947. This is set out on page 529 of the proceedings of the public accounts committee and it reads in part:

> This application was signed by you in the presence of a commissioner for taking affidavits and the department can only assume that you completed this document in the best of faith.
>
> In spite of the above, you refuse to sign the agreement of sale which was presented to you in the course of the past few days, and in view

of this, the department has no alternative but to take steps to make the home in which you are presently residing, available to another veteran who is agreeable to completing the agreements presented.

And further down:

If however, you still are not prepared to sign, you may vacate the premises within one week from the date shown on the letterhead.

The former minister of veterans affairs gave his assurance in this house that the veterans would not be asked to sign purchase contracts until the repairs were made. The repairs had not even been started when authority was given to send out that ultimatum. I sometimes wonder if the director of the Veterans Land Act did not assume too much. I have stated publicly on different occasions that I did not think the Minister of Veterans Affairs or his deputy were aware of what was taking place with respect to these various ultimatums. When I see the amounts that have been spent in administering the Veterans Land Act I realize that somebody must assume responsibility in all V.L.A. matters and, of course, that must be the government. In view of the assurances which had been given by the minister on the floor of this house, I make no apology for having advised these veterans not to sign.

Immediately after that the deputy minister of veterans affairs and two others visited these homes, and in fact I was in Sarnia when they came there. They saw the houses for themselves and the deputy minister was kind enough to assure the veterans that they would not be obliged to sign contracts until repairs had been made. Then, a royal commission not being set up, the matter was brought before the public accounts committee. One reason I suggested a royal commission is that, while this matter might be brought before the public accounts committee, our experience last summer showed that it would take hundreds of hours to hear the evidence of the complaints from the different areas. I submit that these veterans are entitled to have their cases reviewed by some tribunal.

When the public accounts committee was dealing with this matter, it took some four or five sittings of the committee to elaborate upon the details of faulty construction I had given the house. That is why I say that the public accounts committee could not go into the complaints from all these projects across the country. That committee served a useful purpose, and I should like to quote one or two recommendations it made, as reported on page 708 of the minutes of the public accounts committee for 1947. They are:

Your committee regrets that this matter was not brought to its attention in time to have evidence by veterans of other projects. Your committee hopes that remedial measures taken as a result of its report may satisfactorily adjust defects which may have occurred in other projects.

And again:

Your committee recommends that a board of three men be appointed consisting of real estate and building experts, none of whom shall have had previous connection with the Department of Veterans Affairs, or with any other governmental building projects, to pursue the work undertaken by your committee, with a view to giving justice and fair treatment to veteran purchasers and all parties interested in this question, and to recommend to the minister any remedy it may consider fit to correct the situation.

Such board should first investigate the Sarnia project, as your committee considers it important to clarify the situation there at as early a date as possible.

Subsequent to its investigation of the Sarnia project, the board, in the opinion of your committee, would do well to examine other projects which may be brought to its attention.

That is a definite recommendation by a parliamentary committee composed of a membership proportionate to the representation in this house.

I come now to the third ultimatum which was sent from the London office. When I speak of Windsor or Sarnia the two are parallel because what happened at Windsor also happened at Sarnia and the proceedings taken by the department in the one area applied also in the other. This ultimatum which is evidence of the director's capacity for surprise is dated London, Ontario, September 9, addressed to W. T. Cleave, Sarnia, Ontario, and is signed by H. L. Armstrong, District Superintendent. It reads:

You have now been in residence and occupying house—

I will not give all the details.

—for a period of ten months.

It goes on:

If you do not wish to be established in a home under the Veterans Land Act, we ask that you vacate within seven days after the date of this letter.

If you decide not to sign agreement to purchase, and do not vacate within the date as stated, September 17, 1947, the department have no alternative but to charge a monthly rental of $48 per month, payable in advance.

I attended a meeting at the request of the veterans in Windsor as a result of that ultimatum, and I assured them that this could not be action that the minister or the deputy minister would take. I attributed the responsibility to the director of the V.L.A., and I think I am justified in that conclusion, but of course we all appreciate that the government must accept the responsibility. Some repairs had been made, but not completed. I shall refer now to a return tabled in the house

last year. This is further evidence to corroborate the necessity for a royal commission. I quote from sessional paper No. 1351, in reply to questions I asked. I shall quote only one question:

What was the cost per unit overhead and how was the same made up?

The answer was:

Average per unit at Sarnia, $1,736.22.

Before giving the remainder of the answer to that question, let me say, so that there may be no doubt about it, that we discovered, before the public accounts committee, that the houses at Sarnia cost the department $10,106 and, may I say, they are still not completed. The drainage work has still to be done. With the additional work to be done and administration overhead, the cost of all houses built under V.L.A. will probably be in excess of $11,000 or $12,000.

I now will give the remainder of the answer to question No. 6, to which I have just referred.

Project overhead includes the following items:

Temporary buildings, salaries of staff located on the project including superintendents, accountants, bookkeepers, stenographers, timekeepers, material checkers, first aid attendant, watchman, and water boys—

Water boys for eight houses! One water boy was not sufficient. It goes on:

—miscellaneous expenses incurred at job office in direct relation to the project include travelling expenses, telegrams, and telephone calls.

I inquired what the unit overhead cost was in Windsor but have not yet received that information, nor have we received answers to many other questions placed on the order paper regarding the project overhead or the unit overhead of various projects.

Another return was tabled last fall, 135F, in reply to questions asked by the hon. member for Durham (Mr. Stephenson). The question asked was:

What has been the total cost for administration of the V.L.A. from its inception up to February 28, 1947?

The answer to that question is given in the return:

Approximately $8,903,000. To some extent the same staff is engaged in Soldier Settlement and Veterans Land Act and other work on which the administration is engaged. The figure given is a close estimate, and includes $331,256.93 for legal fees and $563,568.50 for taxes.

I contend, Mr. Speaker, that in view of the evidence before the public accounts committee, and evidence such as I have given here tonight, and the concrete evidence of the construction itself and the admission by the director of V.L.A. and by the minister and the deputy minister of defects in construction, the careless supervision and huge amounts spent by the director of V.L.A. for administration purposes, we should certainly inquire how that money was spent and how the administration of the Veterans Land Act spent the moneys allocated to them.

We know there is going to be depreciation in homes, and the more badly the home is constructed, the greater the depreciation There is the probability of gradual declines in home values, beginning three or four years hence, if not before, on well-built homes. On poorly constructed homes the decline in value and the depreciation will be much greater.

The director of V.L.A. admitted that these houses were of poor construction, and not only these but the others to which I have referred. I say here that the veterans are entitled to an opportunity to enjoy decent well-built homes at fair prices. The government has defaulted in its obligation to carry out this principle. Inflationary factors in the current situation arising from liberal credits and from other governmental policies are such as to keep the potential demand high in relation to housing supply, and for that reason the government let it be known that many veterans now without homes will be glad to move into these homes.

The minister stated, as reported at page 589 of *Hansard*—and I am not going to deal harshly with his statements—that these defects were inevitable. I contend, in view of the evidence we had submitted to us, and it is obvious to anyone who has inspected these houses, that there was no occasion for them to have had these defects, and I am sure the minister will agree that is in fact the case. As reported at page 589 of *Hansard* he said:

When the defects became apparent, my predecessor said on the floor of the house that the houses would be placed in first-class condition at no cost to the veteran.

We appreciate that. Yet the veterans were asked to sign contracts before the repairs were made and the repairs are even yet not complete.

In the few minutes I have left I want to compare cost of other houses with these V.L.A. houses. We know that a committee of three valuators has given a valuation on these veterans' homes. I said a moment ago that the public accounts committee recommended that none of those chosen as valuators should have been in any way connected with government building projects; but I understand, although it does not prejudice me in my thinking, that one of these valuators did build several hundred or about a thousand homes as a government project.

I am going to compare the prices of a recently completed project in the Toronto area with these V.L.A. homes. These homes in Toronto area are of solid brick, constructed at 1947 prices, and the houses are just completed. The houses have 18,000 cubic feet and are from 10 to 15 per cent larger than the ones built under the V.L.A. The V.L.A. used the same nine or ten plans all across the country. The cost of this project in the Toronto area for home, excluding land, is $5,280; that is, without the upstairs being completed. These houses were of brick construction, with basements, hardwood floors, excellent kitchens, hot air heating, built-in baths, built-in cupboards in the kitchens, tile floors in the kitchens, plastered walls, and are completed in a satisfactory manner; much better homes than the V.L.A. homes.

In view of the fact that the minister referred to the new valuation of these houses I did wish to compare the prices.

Mr. SPEAKER: Order; I am sorry, but I must call the hon. gentleman's attention to the fact that he has exhausted his time.

Mr. MURPHY: I would appreciate two or three more minutes, Mr. Speaker.

Some hon. MEMBERS: Go ahead.

Mr. SPEAKER: If the hon. member has the unanimous consent of the house he may proceed.

Some hon. MEMBERS: Agreed.

Mr. MURPHY: I thank you for that courtesy, Mr. Speaker. The valuations that were made by this committee were made last December. The houses were under construction in 1945, and I think the house will agree with me that in that period the cost of construction had increased some twenty-five per cent at the very least. I believe the government figures will show that the increase in building costs are much higher for that period. I regret to say this, but it is nevertheless necessary that I should, because the minister in his statement emphasized that the valuators had never seen the prices previously quoted by the Veterans Land Act administration. He said, as reported at page 590 of *Hansard:*

> I want to make it absolutely clear that this independent appraisal committee set their prices without any reference to the prices previously quoted by the Veterans Land Act administration. They did not have in their possession the prices which the veterans had originally been asked for the houses.

I do not say this unkindly of the minister; I think he will appreciate that. I shall deal with the Sarnia area first. I want to call the attention of the house to the fact that the reduction in valuation ran from some $853 to $1,619 per house. The over-all reduction was $1,228 per house. I must also refer briefly to some two or three of the valuations of the Windsor area rather than give the figures. The information is available in the report which the minister tabled. On a great many of the houses there was a difference of only a few dollars, $10, $12, $15 and $25 which would indicate to me, or to anyone else, that this committee certainly must have had this report, because it is almost physically and mentally impossible for valuators to valuate one hundred houses and come within $10 $15, $20 or $25 of the price which the government had set as the price to the veterans. In fact the prices charged to the veterans were available to the public.

I wish to say, in fairness to the minister, that he has provided the veterans with an opportunity of renting if they so desire. I maintain that these veterans really have to buy these houses. I do not blame them for buying them, because they can have them at a low monthly payment, and by buying them they have a roof over their heads. They are more or less forced into it. They are tired out. They have had so many investigators and inspectors around that many of them have decided to buy and take their medicine.

In conclusion, I am going to say this. I have the authority of my leader to tell this house that if these veterans do not get justice from this government, and if we are fortunate enough to form the next government and I expect we shall, we shall review and revalue these houses and see that the veterans get the justice that this government denied them.

When I began my remarks I asked for a royal commission. I want to repeat that. I think we are entitled to it and, on behalf of these veterans, I expect that this government will grant the royal commission.

Mr. H. G. ARCHIBALD (Skeena): Mr. Speaker, to me this has been the most interesting session that I have attended since I became a member. We are living in troubled times. The papers carry such contradictory headlines as, "spiraling prices", "crashing prices of commodities", and such headlines as I found in the February 3 issue of the Vancouver *Sun* on the editorial page, "Homeless, workless, hungry", in speaking of the plight of the single unemployed of Vancouver, which has been becoming worse each year since the war ended. In part it says:

> Neither explanations nor regrets ever put a meal in a man's stomach or a pillow under his head.

Some of the attitudes expressed by various members of the government have been good,

but some, I believe, are due for criticism. The February 9 issue of *Time* magazine quotes an interview that some housewives had with the Minister of Finance (Mr. Abbott) protesting the high cost of living.

When one of the ladies said she had eight children Mr. Abbott cracked, "You must do pretty well out of the family allowance."

When he was on his visit to the United States in order to obtain the $300 million loan he gave a press interview in which he spoke of Canada's austerity program. He spoke about the nutritious value found in home-grown beets and turnips. I can see that, from a business angle, that was a good approach. There he was, going to our masters on Wall street asking for a loan, and in this interview he said, "Look gentlemen, I can drive the standard of the Canadian people down to that of the eastern European peasant and make them like it. You can easily give me a loan. I can exploit it out of the Canadian people." The hon. member for Vancouver North (Mr. Sinclair) has a solution. He goes one better than Marie Antoinette who told us to eat cake when we had no bread. The hon. member for Vancouver North now wants to put margarine on the cake.

The attitude expressed by the minister may sound glib; it may sound cynical. I would suggest that if he wants to take that attitude some day he give us the diet of that great liberal figure who discovered the nutritional value of ordinary lawn grass, Nebuchadnezzar. He might as well make it ridiculous and be done with it.

Let us see what is actually happening in the realm of action by the government in its handling of costs that have to do with the standard of the working classes. I hold in my hand correspondence from local 360 of the International Brotherhood of Papermakers, Ocean Falls, in which they inform me that the company, Pacific Mills, asked the rentals control board to send one of their administrators because they wished to raise the rents. Mr. Lobley went up for the department. He stayed there for two days and interviewed about twenty tenants out of a total of about five hundred, and then he left.

According to the information from local 360, rents are to be raised from two per cent to forty-eight per cent, with an average rise of twenty-four per cent. I wrote a protest to Mr. W. L. A. Pope, deputy administrator, rentals administration of the wartime prices and trade board, Ottawa, over the matter, because I thought that if an administrator were to go into any ordinary community and take a Gallup poll of the people and then raise all rents because he had interviewed twenty persons, there would be a howl and we would hear about individual justice. But because he went to a company town he took it for what he thought it was by his attitude, a slave compound, and once he got a cross-section of it he let it go at that.

Mr. GIBSON (Comox-Alberni): Houses are standardized, are they not?

Mr. ARCHIBALD: Yes, they are standardized. But remember that not one of these people is standardized. They are all individual souls.

Mr. GIBSON (Comox-Alberni): Wages are standardized too, at about $1.50.

Mr. ARCHIBALD: What the hon. member wants to do is to stamp them all in the same mould. But he will not make that stick.

In answer to my protest I received a letter from Mr. Pope, and this is what he said:

For your information I enclose herewith a copy of the decision made by Mr. Owen Lobley, which you will notice is approved by Mr. K. W. Taylor, chairman of the wartime prices and trade board.

This decision is self-explanatory.

I am going to put this decision on the record. I may say that this document is something marvellous to read:

Rentals Administration,
490 Sussex street, Ottawa.

In the matter of the housing accommodation situated at the place known as Ocean Falls, in the province of British Columbia, of which accommodation Pacific Mills Limited is the landlord, employees of the landlord are the tenants:

Whereas the landlord has requested me to increase the maximum rentals of the said accommodations by the exercise of the discretionary power vested in me;

Whereas I have heard the representatives and representations of the landlord and the tenants;

Considering that all the land and buildings of every kind situated at Ocean Falls are the property of Pacific Mills Limited;

Considering that all places of dwelling at Ocean Falls have been constructed by Pacific Mills Limited for the accommodation of its employees because no one else would provide this accommodation—

No one else would provide the accommodation! Have you ever tried to put up a building in a company town? It is a physical impossibility. Even the legion there had to fight to put up their own building. Perhaps the only building that is not owned by the company is the post office, and sometimes I wonder if it is not owned by them. To continue:

Considering that the leases of the employee-tenants of these accommodations can be terminated under the provisions of the laws of the province of British Columbia, and that the ter-

mination of these leases is not affected by the orders of the wartime prices and trade board;

Considering that in this community the amounts deducted from the tenant-employee's pay in consideration for the living quarters provided for him by his employer cannot cause inflation, nor can it affect the housing shortage in Canada:—

That is a fundamental statement.

Considering that the amount of rental-deductions from the pay of the respective employees in the said community is not related to the purposes and objects of Canadian rent control—

Now here it is:

Now therefore, I, Owen Lobley, rentals administrator, by virtue of the power vested in me, do hereby exempt all accommodations situated in the place known as Ocean Falls, in the province of British Columbia, from the provisions of order number 294 of the wartime prices and trade board as amended.

Dated at Ottawa, this 5th day of February, 1948.

Who is this egotistical, stupid, frustrated little man who is taking on himself the power of royalty dispensing largesse? I read this order number 294, and the only institutions I could find that could escape the laws of this dominion were religious institutions and institutions given to charity. I do not believe that anybody in British Columbia could possibly call the Pacific Mills a charitable or a religious institution; yet this little man takes all that power in his hands and this is foisted on these workers, whether they like it or not.

I have never in this house criticized the civil service because I believe they are doing a good job; but there is a limit, and this is the limit, and that is one action that the government is going ahead with.

I should like to give some other actions of the government by way of comparison. Let me state some of their actions in the last few years.

In the realm of taxation, on April 29, 1947, there came out in the budget an income tax reduction of $12 for married men with an income of $1,600.

On April 28, 1947, in the same budget, there was an income tax reduction of $733 for a married man with an income of $10,000.

Take another comparison. On May 27, 1947, the government voted down the C.C.F. proposal to raise the income tax exemptions to $1,000 for single men and $2,000 for married men.

On December 31, 1947, the government completely removed the corporation excess profits tax.

On June 1, 1946, the governmnet subsidy of two cents a quart on milk was removed. On October 1, 1946, the government subsidy of fifty-five cents per hundredweight on milk was removed.

On February 14, 1947, there was a contract signed retroactive to January 1, 1946, to provide a subsidy of $7,200,000 in 1947-48 to Dosco on steel production, the same to Algoma, granting a subsidy of $1,600,000 and lesser amounts to other corporations.

In 1947 the government gave $400,000 to Crane Limited as an incentive bonus.

This government, you know, does not believe in subsidies, but you have to watch it. It is like Peter. It denies more than three times the thing it has faith in.

On July 17, 1947, they failed to pay the cost of living bonus suggested by the C.C.F. to superannuated civil servants, who in many cases receive less than the old age pension.

On June 30, 1946, gold mines whose profit margin was $4 an ounce or less were exempted from tax.

On July 30, 1946, the bill to tax co-operatives was passed.

On August 17, 1946, Bill No. 250 to increase the pay of judges to $20,000 was passed.

On July 7, 1947, a bill was passed to provide diplomats with pensions up to $7,000 a year for life.

Mr. GIBSON (Comox-Alberni): I voted against that.

Mr. ARCHIBALD: Thank heaven you did. On June 26, 1947, the government voted down the C.C.F. amendment to the old age pensions bill to provide $50 a month instead of $30.

On April 1, 1947, an order in council was passed allowing Dionne to go to Europe to import 100 immigrants.

On May 6, 1947, the Chinese immigration bill was passed, discriminating against Chinese.

On January 1, 1946, new gold mines coming into production on or after this date were given three years tax exemption—*Hansard,* page 1017.

On February 6, 1947, there was an increase of two cents a gallon on gasoline and other petroleum products sold on the prairies.

On March 1, 1946, the cotton and wool subsidies were removed or reduced, affecting men's and women's clothing.

On March 30, 1946, there was an upward price adjustment for primary Canadian steel mills, approximating $5 per net ton of ingots produced.

On March 30, 1946, creamery butter increased by four cents per pound; dairy butter followed suit on April 13, 1946.

On April 2, 1946, ceiling prices of men's and boys' shirts, pyjamas and flat cut underwear increased by 25 per cent at the retail level.

On April 11, 1946, the ceiling on Canadian farm machinery and parts was raised 12½ per cent.

On April 15, 1946, a variety of goods and services was removed from price ceilings: cement, fertilizers, office supplies, et cetera.

On May 16, 1946, manufacturers' prices of certain types of metal beds and furniture increased by from 10 to 12½ per cent.

On May 20, 1946, corn syrup increased by approximately two cents a pound.

On May 29, 1946, prices of wooden and upholstered household furniture of all types increased; consumers will pay seven to thirteen per cent more.

On January 1, 1947, depletion allowance for gold mines increased from 33⅓ per cent to 40 per cent of profits earned.

On April 30, 1947, removal of butter fat subsidy of ten cents a pound and cheese subsidy at thirty cents per hundred pounds.

Mr. GIBSON (Comox-Alberni): No wage increases in all this time?

Mr. ARCHIBALD: Nothing to correspond to these increases. During the recess the Ottawa *Citizen* stated that prices had gone up twice as fast as wages had increased.

In June, 1947, Alberta nitrogen products plant sold.

On July 1, 1947, Bill No. 339 passed, fixing old age pensions at $30 a month.

On July 8, 1947, voted down amendment to Civil Service Act which would have extended the veterans preference to merchant seamen.

On July 11, 1947, increase in senators' allowance, Bill No. 443 passed.

On October 22, 1947, feed grain subsidy of twenty-five cents a bushel on wheat and barley and ten cents a bushel on oats removed.

In November, 1947, publicly owned nitrate plant at Niagara sold to American Cyanamid Company after the government had assured the C.F.A. that it would be retained for production of fertilizer under public ownership.

Well, Mr. Speaker, this is the best example I have yet seen of what is known as class legislation. You are trying, so you say, to instil into the people respect for democracy; yet the democracy you are dealing out is just to one small segment of the people of this country.

Mr. HARKNESS: What are these classes you talk about, that you say we have in this country? I did not think we had any classes here.

[Mr. Archibald.]

Mr. BURTON: You go into a company town and you will soon find out.

Mr. ARCHIBALD: I cannot help it if the hon. member has not been around enough to find out what the score is. I went through that depression, when the doughnuts hung high, and I know what classes are. No doubt being a lawyer—

Mr. HARKNESS: Don't worry; I worked in the logging camps on the west coast long before you did.

Mr. ARCHIBALD: Well, you don't show it.

Mr. HARKNESS: I think I do.

Mr. SMITH (Calgary West): His callouses are in a different place from yours.

Mr. ARCHIBALD: In all my remarks I have been dealing with and criticizing the government, but do you notice how they get together? Immediately I talk about the Liberals the Conservatives come to the defence of the government and those fellows over there sit quietly. I made up my mind that from now on, when I had any interruptions on the floor of this house from the Conservative party I would just let them go, because as a political force they could not fight their way out of a paper bag.

Mr. HARKNESS: I asked a very simple question, what were these classes? I have not yet had an answer.

Mr. ARCHIBALD: You had a very simple and direct answer.

Mr. ROSS (Souris): It was simple, all right.

Mr. ARCHIBALD: You will find the only way to get the answer is by experience. Take up your bed and walk; go and find out.

Mr. HARKNESS: I suggest that you should get the experience; apparently you have not yet had it.

Mr. ARCHIBALD: I leave you to the tender mercies of Calgary at the next election. However, I should like to point out—

Mr. ROSS (Souris): You may be worse off than ever then.

Mr. ARCHIBALD: I do not mind ordinary interjections in this debate, but when these fellows get their big feet in somebody else's business they bog down like a gumboot in an oily bilge.

Mr. SPEAKER: Order.

Mr. ARCHIBALD: As I was saying, Mr. Speaker, before I was so rudely interrupted—

Mr. SMITH (Calgary West): May I ask one question?

Mr. ARCHIBALD: Oh, no. I want to finish my speech very quietly, because I am a very modest fellow and detest trouble. I just want to go on and point out that this is class legislation. It will not give our people faith in our institutions. It will build up bitterness, fear and hatred. We wish to sell our democracy abroad, but if this sort of thing continues we shall not be able to do so. If we are to instil faith in democracy into the peoples of the world and into our own people we have to feed and clothe them properly; we have to give them a sense of security, a sense of being a part of Canada. If we do not do this we shall meet more trouble ahead. We shall have to go through all the agonies people have gone through in countries where there have been upheavals. Some of us are trying our best to bring about the change in a peaceful fashion, to bring about a society where real justice and freedom will reign.

At the present time there is one program which would meet the immediate situation. It has been placed on record previously, but I wish to put it on record again. There must be immediate reimposition of price controls on all the basic necessities of life, including food, clothing and fuel; renewal of the subsidies on milk, butter, bread, feed grains, cotton and wool; the closing of the Winnipeg grain exchange and the elimination of speculation in essential foods; the restoration of the wartime prices and trade board on a permanent basis in such a manner that it will be able adequately to administer price control; continuation of the excess profits tax, which was discontinued on December 31, 1947; the rationing, if necessary, of any essential commodity which is in short supply, so that all Canadians may get their fair minimum share.

Mr. SMITH (Calgary West): Now will the hon. member answer a question?

Mr. ARCHIBALD: Yes.

Mr. SMITH (Calgary West): You spoke about company towns. As you are aware, there is a good deal of coal mining in Alberta; and in Nordegg, west of Red Deer, you probably know there is the best housing of any town in Alberta. Yet it is a company town, where the houses are wholly owned by the company. Laugh that one off if you can.

An hon. MEMBER: Is that a question?

Mr. SMITH (Calgary West): I asked the hon. member if he knew that to be a fact. That was the form of my question.

Mr. ARCHIBALD: When the hon. member for Calgary West speaks of a company town where the housing is wonderful I am reminded of that song about the bird in the gilded cage. People are not happy just because they live in beautiful surroundings. They want their freedom. They want to be treated as individuals. In the case I mentioned they are being treated en masse like slaves in a compound. That is the answer. They are free Canadian citizens; and even if they are living in good houses, as they are in Ocean Falls, they still want that basic freedom.

Mr. MITCHELL: Would the hon. member permit just one short question?

Mr. ARCHIBALD: Certainly.

Mr. MITCHELL: Has he any knowledge of the contractual relations between the labour organizations and the employers in the pulp and paper industry?

Mr. ARCHIBALD: Yes, I have a knowledge of the contractual relations, if you mean the ordinary contract they draw up each year. They have good contracts.

Mr. MITCHELL: Certainly they have; among the best relations in industry in Canada.

Mr. ARCHIBALD: Several days ago you asked the hon. member for Cape Breton South (Mr. Gillis) whether or not the unions would have their wages fixed. Those fellows have fixed their wages, and now they are having their wages hijacked out of them because of these increases in rents.

Mr. MITCHELL: I say to my hon. friend that the speech he has just made was made in Moscow; it was the worst thing I have listened to in a long time.

Mr. ARCHIBALD: On a point of order, I want to answer that man. I shall not ask him to withdraw it; I never ask for mercy in this political game. That man is trying to dam the free movement of Canadian people. He knows very well my history, and that I fought communists more than he did. In the last election he had Tim Buck around his neck; and just because you have gone ahead with spy trials, and sent a bunch of dewy-eyed fellow travellers on a one-way ticket, and sent Sam Carr down to Mexico for a rest cure, you can't pull that stuff on me.

Mr. SPEAKER: Order.

Mr. GREEN: On a point of order, I think the Minister of Labour should withdraw the statement he made. That is not a proper statement to make about any member of the Canadian House of Commons or any member

in any legislature in a democratic country. I think that statement should be withdrawn. I doubt if the minister realized just what sort of statement it was. I am sure he would not object to withdrawing it.

Mr. MITCHELL: Mr. Speaker, I knew the paper makers' organization before this young fellow from Skeena was born. I know what I am talking about.

Mr. ARCHIBALD: You don't act like it.

Mr. MITCHELL: There are no better relations on the North American continent.

Mr. GREEN: On the point of order—

Mr. MITCHELL: You wait a minute.

Mr. GREEN: I am not complaining about that part of it at all.

Mr. SPEAKER: Order. I would ask the hon. member for Vancouver South to state his point of order.

Mr. GREEN: The point of order is this, that the Minister of Labour has accused a member of this house of making a speech which was made in Moscow. That is the part which I submit to Your Honour is quite out of order and should be withdrawn.

Mr. MITCHELL: I will withdraw that, and I will say this, that speeches like that are made in Moscow. I would say this to my hon. friend, that if my young friend would take his political diapers off he would get along better. And I say to my hon. friend that when the hon. member for Skeena said that this government sent Sam Carr down to Mexico, that is a perversion of the truth.

Mr. SPEAKER: The hon. member for Vancouver South has raised a point of order and the minister has withdrawn. Would the hon. member for Danforth (Mr. Harris) proceed.

Mr. J. H. HARRIS (Danforth): Mr. Speaker, after looking over the geography of Canada, and having something in the backs of our minds which made us think that those who came from Skeena were from a broad and strong part of the country, and would not lend themselves to anything which would not go down very well in the system of those of us who like to think we are strong men of the north, may I say that my conception of Skeena has not been raised very much this evening by the exhibition which I have witnessed, and to which I have listened within the last half hour.

When I think of a loquacious Irish schoolteacher of a decade ago who represented that great constituency in such a charming manner, a man who never harmed anyone; then, when I think of the incumbent who immediately preceded the present one, a man who came to this country from Sweden, without a dollar to his name; when I think of his wholesomeness and of the private enterprise in which he took part; when I think of the example he set to so many who have come to our shores, and how proud we were to know him; and when I think of how we on all sides of the house learned to love him, I must say that tonight I feel let down, after listening to the remarks of the present hon. member for Skeena (Mr. Archibald).

I hope, as he grows a little older, that perhaps he may mature a little. We all do. We do not like to, but we must admit that that maturing does take place. We hope that he will mature, and that he will take a viewpoint of Canada which is much broader than that narrow viewpoint which sets one group of our people against another. I belong to both groups, to the group who work for a living, and to the group who are honoured and privileged to have others working for them—and I have working for me several hundred—without strife. I love to know their families and their children, although they have become so numerous that it is not easy to keep track of them.

Yet we have a man rising in his place in the house and referring to those people as stupid, frustrated little men. I do not hear quite so well now, Mr. Speaker; and when I thought I heard him say that, I thought he was referring to himself. We do not want little men—and I do not speak as to stature—we do not want little men, men small of mind, in this country of ours. Whether they weigh 100 or 200 pounds, we want them to be big and broad men; because we have a big country, a broad country, and we are charged by Providence with the responsibility of developing this country for our children. The only ones who can develop it are men who will speak from their hearts and their minds, and will not read into the columns of *Hansard* theses which perhaps took weeks, or perhaps only a few moments to prepare. I wonder sometimes if those theses are the thoughts of the men who deliver them in the house, or are they the thoughts of others?

Until such time as young men in this honourable house, sir, have something to say which comes from within their own minds, which flows from their breadth of experience, from their reading, from their study, not from some essay handed to them by some outsider, or some outside organization telling them what to say I am wondering if this is really a parlia-

ment. Is it a parliament, or is it a chamber in which the views of others from outside can be placed on the record?

We are in parliament and, according to my idea of things, we speak for our constituents, and for what they think. And if you cannot say what you think, then I doubt very much whether you have a right to be in this chamber.

Mr. BLACKMORE: Pretty cheap.

Mr. KNOWLES: I rise to a point of order. I had thought that, after the generous way in which the Minister of Labour withdrew his remark, we would not have further remarks of that kind tonight. I call Your Honour's attention to Beauchesne's, second edition pages 98 and 99, where we find set out a list of unparliamentary phrases; and we are told that no member will be permitted to say of another that the house has a right to know whether that member meant what he said. We are also told farther down that no member can suggest that another member does not believe a statement he has made. If I interpret correctly what the hon. member for Danforth is now saying, he is casting doubt upon whether or not the hon. member for Skeena was expressing his own thoughts. That is getting pretty close to the line. I shall not make an issue out of it at this time, but perhaps it might be better if the hon. member for Danforth were to get on with his own speech.

Mr. HARRIS (Danforth): I am very happy to submit to the suggestion of my learned, honoured and reverend friend. Perhaps the words should not have been used. If they are withdrawn I suppose I shall be in order; I suppose it is a case of whether it was good taste to call someone a stupid, frustrated little man. However, I am the last one that would want to say anything that would disturb any hon. member in this chamber. However, when I listen to someone talking about fifty-five cents a quart when he means 55 cents a hundred pounds I begin to wonder whether he is quite sure what a quart of milk is or what a hundred pounds of milk is. That is what led me to think that perhaps he was not just sure of what it was all about.

Let me get to the subject before us, the speech from the throne, the vehicle which permits us to say something on behalf of our constituents, to make our requests, to tell of some of our difficulties. After having had four constituencies during the last two and a half decades, I think at this stage I might be permitted to say something about my own community.

Before doing so, may I express to the government my great disappointment with regard to the speech from the throne. I am thinking of what was in the minds of the Canadian people when it was presented. I am thinking of the words in the speech from the throne, how it bristled with one outstanding feature, the rise in prices and the high cost of living. My next two or three sentences may be out of order, Mr. Speaker, but I pray your indulgence. When the speech from the throne was introduced the committee on the cost of living was not functioning.

The people of Canada, reading this speech from the throne delivered on December 5, were happy that something would be done. By whom? By their elected representatives. The elected representatives hoped that each would have an opportunity of saying what he would like to say about this matter. However, that hope is gone because we now have this committee set up. On behalf of the Canadian people I wish every success for the committee.

In what I am going to say now, I call to witness one or two of my hon. friends on the other side. The hon. member for Wellington South (Mr. Gladstone) served diligently on a committee day after day and month after month. I wonder what his thoughts are now as to the success of that committee. I wonder what are the thoughts of other hon. members in this chamber who, in days gone by, have served on committees. This committee is simply a stopgap; it is a waste of time. The government waited for something to happen but they were frustrated.

They did not get very far with the department. The staffs of the departments, having been engaged in parliamentary business all their lives, know more than the ordinary member of the House of Commons. Even though members of committees work with great diligence, they are not trained in that particular field. They are unable to match wits with deputy ministers and deputies' deputies and their deputies and their deputies behind them. They have nothing but parliamentary procedure in their blood, and the net result is that this committee will, in my opinion, not be able to give our people the satisfaction they are hoping to get. In the meantime we as members of the house are not able to discharge our responsibility to our people as we would like to discharge it.

What is the cause of some of these difficulties in connection with the austerity program and the loss of exchange and conditions generally? It is the tardiness of the

government in facing up to these problems. It all stems from the one tragic financial error which was made in July, 1946. I would want to be known as a sound money man. When in July, 1946, I saw the United Kingdom exchange at $4.03 and ours come back to a dollar I thought to myself, "What have we got?"

There is more trade done throughout the world in sterling than there is in United States dollars. Sterling will be here when the United State dollar slips and slides, when they have panics and what not. In my opinion, there are just two world currencies. Of course we know there is silver in India and China and in some other countries, but the main currency blocs are sterling and United States dollars. Before July, 1946, our dollar was at 90 cents and the New York dollar was at par, with London quoted at $4.04. In my opinion, the greatest mistake that this administration ever made was to change the value of our dollar to dollar for dollar. I say that for economic reasons and for reasons of trade. I say it for the reasons advanced by the hon. member for Lambton West (Mr. Murphy), who said that we needed more tourists.

Can you visualize the millions of dollars we have lost since July, 1946, because tourists did not come over here to spend their United States dollars? Can you realize the United States dollars that we should have received and did not, thus being forced into an austerity program? This action was taken when it was too late. It would not have been necessary if we had had that extra $10 per $100 from the tourist traffic.

Canada is a great producer of primary and secondary products, as the statistics show. We have all heard the Minister of Trade and Commerce (Mr. Howe) brag about this wherever he goes. I do not blame him because we are all proud of it. But think of the extra $10 in every $100 that we would have got from the country south of us, a country which never imports enough from us and which was restricted from importing from us because we did not get our $1.10 for every dollar's worth of raw materials and secondary products that we drew from mother earth.

I wish to say a word about something else which appeared in the speech from the throne. There were two or three paragraphs about plenipotentiaries and what they had done. For 12,000,000 people, we have done a good deal, and I respect my hon. friend the Minister of Fisheries (Mr. MacKinnon) for the great work that he did in South Africa. A good job was also done in Canberra, Australia, and in New Zealand, by all our agencies overseas. These are necessary in an exporting country. But I sometimes think we have pretty well reached the saturation point for plenipotentiaries and that we, a nation of 12,000,000 people, should be a little more cautious in expressing ourselves to 2,200,000,00 people.

I want to endorse the sentiments expressed by the hon. member for Royal (Mr. Brooks) with regard to pensions for returned men. I bring to the attention of the house in common with him that the cost of living has gone up and that something should be done about these pensions and done quickly. I also endorse what was said by the hon. member for Vancouver South (Mr. Green) in that regard, and by the hon. member for Davenport (Mr. MacNicol), particularly with regard to non-pensioned widows. The money is in the treasury. We are extracting it from the Canadian people on a wartime basis, although we are supposed to be on a peacetime basis, and the money will come back to us. Let us be fair to those who served us during the time of war, and let us look after them quickly in the matter of pensions and keep them so much better satisfied.

With regard to housing, I think of my hon. friend the hon. member for Renfrew North (Mr. Warren). Coming as I did from lot 3, concession D, Scarboro, from a little farm many years ago, I should like to see many more of our people go back to these little farms. There are thousands of very fine homes, particularly in Ontario, which need just a little rehabilitation, in which families could be established.

In that connection I wish to make another suggestion arising out of what happens in the Montreal area. I saw a question on the order paper by the hon. member for Broadview (Mr. Church), asking what the transport board is doing to give a steam railway service into metropolitan centres like Montreal and Hamilton, so that those living some miles away from the large industrial centres where they work might be able to get in and out of the city without crowding the streetcar and bus lines, such as there are around the island of Montreal.

Speaking of the transport board, I want to make a little suggestion regarding my own constituency. We have there a level crossing and 100,000 people live within three-quarters of a mile radius of that crossing. It is on the main line of the Canadian National Railways. I ask the Minister of Transport (Mr. Chevrier) to do everything he possibly can, by way of the railway grade separation fund and through his transport commissioners, to eliminate the hazard of that crossing. Two weeks

ago today a young man from Montreal left my home at two o'clock to go to the hospital to visit one of my family, and he wanted to take my family with him. But I said "No, you go on ahead in your own car because you have other business to attend to afterwards, and I will take the streetcar to my office". Fifteen minutes later, when the crossing gates were not closed because the caretaker had gone to get some coal, this young man's car was hit by an engine travelling forty miles an hour and was thrown twenty-five feet in the air. Fortunately he was not killed. My own family might have been in that car if I had not taken the streetcar. I point out the hazard which that crossing is to 100,000 people, including a lot of school children who have to cross Woodbine avenue in my constituency. My constituency has never had and has never asked for enough improvement of this kind from this great parliament of Canada for a quarter of a century and in the meantime the population of my constituency has grown so fast that there are now four constituencies where it was my pleasure to represent one. We have the same little ding-dong Danforth station. You could not put fifty people in it to shelter them from the weather. We need a new station at Danforth to serve close to one-quarter of a million people.

We also need a public building in Danforth riding to house the income tax department. My hon. friend the Minister of National Revenue (Mr. McCann) knows how important it is to get the income tax in. Why should a quarter of a million people have to go fifteen miles before they come to a government public building? I have a constituency to the right of me, a constituency to the left of me, a constituency in front of me, and lake Ontario to the south, and none of them has a public building. We require a public building for income tax, customs and excise, and all the other purposes for which a public building is used. Within the last ten or fifteen years scores of industries have been built up in that particular part of the city of Toronto.

While we are on railway matters, right across from Danforth station there is an acreage of five or six acres which is controlled by the Canadian National Railways and the board of transport commissioners. This acreage lies idle and has nothing on it but rubbish. It is at the corner of Main street and Danforth avenue, in the centre of that beautiful constituency. As I travel on the trains to Ottawa and Montreal, I see green lawns and trees and shrubs planted around many a railway station to make it look attractive, but that five acres is nothing but a garbage dump. I make this plea by way of *Hansard*, and with the indulgence of the house, to the railway officials who pay one dollar a year to the crown for that five acres. If it were turned over to the Gerrard-Danforth Businessmen's Association or to our Kiwanis, Rotary and Lions clubs, so that they could have the use of that five acres and beautify it and turn it into a community centre, which is so much needed by the youth of our city—it is the same old field where I learned to play hockey when I was ten or eleven years old, and which is now lying idle, covered with rubbish—it would be appreciated by the youth of our community and by all my constituents. I put that on the record in order that the suggestion may be given consideration and the red tape cut through to bring it about.

One further representation I do not really need to make on my own behalf, but I put it forward on behalf of the new Minister of Veterans Affairs (Mr. Gregg). I am very happy in the choice that was made to fill his portfolio. I am sure that he has an understanding heart for the veterans. I do not know who else might have been given the post; but, now that he has the responsibility, I want to say through you, sir, and with his indulgence, that in an emergency, the emergency being the overcrowding of Christie Street hospital, the East General hospital gave services to those coming back among them, as the minister and his predecessor well know, to the extent of 171,699 patient-days until the Sunnybrook hospital was ready. Unfortunately these voluntary workers spent more money than they received. They lost $105,998 in servicing 171,699 patient-days. They were happy to do it. It was a privilege and pleasure for the whole community to wait on the patients and see that they got four meals a day. The girls in the bible classes played cribbage and other games with them; they sang with them, played cards with them, and were happy to do it. The hon. member for Wellington South knows all about it. He knows what a beautiful institution we had there. Of course the bloom was knocked off it. We are not asking anything for the bloom that was taken off one of the finest institutions in Canada. But we are asking the minister—and I say it now for the benefit of the members of the cabinet who may be members of the treasury board—to give some consideration to this loss. After reviewing and auditing the statements, you came to the conclusion that you owed us $44,000. I am asking the treasury board and all the juniors who read *Hansard*, to think about those private

citizens who are out of pocket $44,000 after an audit, which is the responsibility of this institution, and that they give it consideration in order that we may clear that statement up and be happy about the service which we have been able to render.

I appreciate the opportunity I have had to mention this. I feel a little humble at this time. This is the first time in many years that I have said anything on behalf of my own constituents, and it is the first time in years that I have asked for something on their behalf. I hope that I am one who, when he asks for something, believes he should have it. I say through you, Mr. Speaker, to my hon. friends in the cabinet and to those who are responsible in any degree, that anything I have suggested or asked for, I feel I am sound in my request, sound in my judgment; and until such time as they can show reason why they will not acquiesce in these requests, from now until that time, I am determined that some consideration shall be given to the constituency of Danforth.

(Translation):

Mr. PIERRE GAUTHIER (Portneuf): Mr. Speaker, you have no doubt noticed, that after a shower, storm-tossed clouds gradually melt away and finally let a sunbeam filter through which sets the human mind at rest. Just now we were caught up in a storm, marked by a shower of epithets, into which the previous speaker rushed fearlessly and, with your help, Mr. Speaker, he managed to restore peace. As he spoke, the clouds vanished, and now that he is through, you will allow the sun which usually follows, to shine once more—tonight in the shape of the beautiful, sweet, noble, delectable French language.

Mr. MICHAUD: Hear, hear!

Mr. GAUTHIER (Portneuf): Mr. Speaker, I wish to congratulate the mover of the address, the hon. member for Lake St. John-Roberval (Mr. Dion) whose eloquence, which flows like a flashing stream, we thoroughly enjoyed. We derived no less enjoyment from the fruit which he described to us with perfect knowledge and as ably as a painter with his brush. I compliment him for having uttered choice and convincing words first toward the house which he was addressing and for having spoken with the dignity which characterizes him, and secondly for having spoken convincing words on behalf of those who do him the honour of electing him as their representative in this house. Those who sit here have no doubt recognized the truth of his allegations and noted the moderation with which he views things and, especially, the eloquence of the words by which he expressed his deep gratitude to the people who have done him the honour I mentioned a few moments ago.

I cannot but make a special mention of the seconder of the address, the hon. member for Halifax (Mr. Dickey). I listened to him with attention and I especially appreciated what he said in my own language. As we are now going on with the same debate, permit me, Mr. Speaker, to quote the following excerpt from his speech:

> Mr. Speaker, my election to this parliament will, I believe, afford me, among other privileges, an exceptional opportunity to appreciate and improve my knowledge of fellow citizens whose language I speak with, of course, great difficulty, but among whom, I am happy to say, I have close and valuable friends.

There you have evidence of what broad-mindedness is needed to achieve co-operation between the citizens living within the four corners of this wonderful country. I am sure this example will be followed by all those who do not entirely share our views and opinions or who cannot speak our language, so that we may achieve the measure of understanding which we so badly need, which the whole of Canada so deeply needs to remain a great country, to become greater if possible, and to hold the place assigned to it by Providence in the course of past and coming centuries.

The following statement is found in the first paragraph of the speech from the throne:

> In many countries, political and social unrest is serious. Failure to agree on peace settlements with Germany and Austria is preventing the recovery of Europe.

No wonder such a situation exists, especially when, in many countries, the powers that be entirely lack good faith and, instead of striving to spread among the nations of the world a spirit of goodwill necessary for an enduring peace, seek rather to promote a dubious philosophy, philosophy they seek to spread the world over, so as to achieve an aim envisioned by the followers of that theory since its inception: to crush under its iron heel humanity which yearns only for peace and mutual understanding.

We are surprised at the delay in the signing of peace treaties. But such delay is only normal. See what is happening in Europe and in several countries I could mention. After the war, Russia got more in the way of war reparations than was obtained by any other allied country from the nations which fought under the swastika. Russia received larger reparations than some countries which have probably suffered more than she did. Further, not content with accepting, taking, extracting from these countries the amount of money required, Russia bleeds them white, throws their industries out of gear, undermines their culture and, to reward them, tries to spread within their borders the questionable philosophy of communism which I mentioned at the beginning of my speech. Such is the reward bestowed by the hammer and sickle.

Another paragraph of the speech from the throne reads as follows:

> In view of the price fixed for the 1948-1949 crop year under the wheat agreement with the United Kingdom, you will be asked to consider a measure to provide for an increase in the initial payment to producers.

If my understanding is correct, this means that we will be asked to pay western wheat growers a certain sum of money because under the British agreement they did not get a fair price for their wheat. The eastern farmers will be good fellows as usual and, through their representatives who will co-operate with the western members, they will compensate those who claim that they have been plundered—strong language, perhaps, but this is how I feel at present. As I say, we shall be good fellows, but I hope that when the time comes to take steps that will benefit our Eastern farmers and workers, those same Western farmers will also be good fellows by asking their representatives to act as we did, and will not hesitate to comfort our farmers with grateful words. The Western farmers will understand that if they sometimes find themselves in a critical position, the Eastern farmers also have to cope with similar difficulties, especially as far as the dairy industry is concerned. In that connection, we hope our farmers will receive the same consideration as Western producers.

Some hon. MEMBERS: Hear, hear!

Mr. GAUTHIER (Portneuf): The other day I mentioned a project put forth by an official of the Quebec Department of Agriculture; the same idea has been advocated by the hon. member for The Battlefords (Mr. Campbell) who described it as a wheat or grain bank. I feel it is an apt description and I am pleased to accept it. I hope our Western brothers will support us when we officially request that the Government or the Department of Agriculture help our Eastern farmers, by providing them, all year round, with the grain they do not produce or do not grow in sufficient quantity, so that they will not have to await the freight cars that are often late in arriving, and will not be at the mercy of the Winnipeg Pool, of the Grain Exchange or any other concern.

I quote another paragraph found in the speech from the throne:

> You will be asked to consider plans for a low rental housing project for veterans.

This I fully endorse, Mr. Speaker. I feel that our veterans are entitled to every consideration since they risked everything to save democracy and Christianity as well as to prevent national socialist or fascist ideas from taking root in our country. Heaven grant that we be spared the need of resorting to similar methods in order to stop communist ideas from spreading in our country, following the activities we have uncovered and which I shall discuss again later. However, we must think not only of our veterans but of the rest of the population, of all those who are homeless.

At long last, let them build homes for our people. In the province of Quebec, especially, veterans as others, have families of five to ten children or more. What good, therefore, are those tiny postwar houses? Despite the legislation designed to promote harmony between industry and labour and between large and small farm producers, true co-operation will not be achieved among our people unless they are provided with decent shelters for their families. Many of the dwellings built after the war are by far too small for large families. Why not be realistic? Thank God, in the province of Quebec large families are not and will not for a long time yet be things of the past. We are not depending upon immigration to increase our population and, as I said before, we need houses large enough to provide our families with a decent standard of living.

If the bill passes or when private builders and building concerns are granted housing contracts, I hope that the plans approved by the government will take into account large families which are also to be found in other provinces. They are very numerous in Quebec, but I know they also exist in the other provinces. Such plans should therefore be suitable for all the provinces in this dominion.

Some hon. MEMBERS: Hear, hear.

Mr. GAUTHIER (Portneuf): Let me read another paragraph of the speech from the throne:

> A measure similar to the one introduced at the last session of parliament to provide more effective machinery for the adjustment of differences between employers and employees will be submitted for your consideration.

Of course, Mr. Speaker, if recrimination on the part of both employers and employees is of the kind we have been hearing tonight, such co-operation is very unlikely to prevail. I am not used to hearing very bitter discussions between industrialists in my county, and I am grateful for it.

My constituency is half-agricultural, half-industrial. I believe that the agricultural element is the larger of the two, but nevertheless one will find there a mining region which is unfortunately closed down as an aftermath of the war. The quarrying industry is flourishing in two districts, at Rivière-à-Pierre and Saint Marc, whence comes the limestone of which I have spoken. Portneuf has roofing and kraft paper industries at Portneuf Station and at Pont Rouge, plus two newsprint plants, one at Saint Raymond, the other at Donnacona.

We are not used to strikes in my constituency. To my knowledge, we have had but one strike. That lasted one week and was settled to the satisfaction of both parties, as far as I know.

I do not remember any strike ever having taken place at Saint Raymond. There was one at Donnacona, and it lasted only one day. At the present time I may say that the lowest salary paid there, that is to the labourer, is 85 cents per hour. The most perfect co-operation exists between industry and labour. We have but one labour union, the "syndicats catholiques" which, I believe, have more than 800 members. There is perfect agreement between the company's management, civil cause—I say so with some reluctance but with the knowledge that it is true—because there and church authorities and labour leaders. The company even affords advantages to those workers who wish to join the union. Why does it do so, some one may ask? Simply because before letting any disagreement come to a head, they meet, negotiate and manage to come to terms. Strikes do not occur when things are done that way.

Why do not like conditions always prevail in other parts of this country? Simply beare people who profit from strikes, who seek to divert workers from their jobs by turning them against their employers, because it fits in with their design—I do not hesitate to say it—their design to foment revolution. That is perhaps premature in Canada; I sincerely hope so, but in other countries, talk of revolution was sometimes thought premature but it burst upon them like a hail-storm.

At Donnacona or anywhere else in my riding, there are no trouble-makers, in other words no communists. That is why we have no strikes. We have people who were not born in our constituency, people who were born in other countries. They are not trouble-makers, they are good citizens who get along well with native Canadians. Why? Because they do not entertain dubious philosophies, because they know they have the right to work, and they are not unaware that if they have rights, they also have duties to perform.

Some hon. MEMBERS: Hear, hear!

Mr. GAUTHIER (Portneuf): And, because both employers and employees understand their rights and duties, there is co-operation between them and these good people's sole ambition is to live in peace together and to secure for their families, whether large or small, the necessary food and clothing, the degree of welfare which every human being is entitled to in this world.

That is why strikes are unknown in my district. This condition is due to the full understanding and co-operation which mark industry and labour relations. Tonight I was anxious to pay this tribute to the fine county of Portneuf which I have represented for nearly twenty-one years. There was, it is true, a nine-month gap but I have forgotten it and I have continued to serve those who do me the honour of electing me.

In the speech from the throne mention is also made of the proposed amendment to the Indian Act. I shall only make a few brief remarks on this subject, and I ask the government to review the situation of Indians in Canada most closely and from all angles. Among other things, I request that in the case of any given area, when a religious denomination has a majority and the establishment of a hospital, or a first aid station is contemplated, the government should at least send to that area physicians, nurses and attendants of the same faith as the majority in the locality. I feel that such a request is only fair.

Mr. BRUNELLE: Hear, hear.

Mr. GAUTHIER (Portneuf): Mr. Speaker, not long ago it was reported in the press that some immigrants had found their way into this country using spurious passports. The latter, which they had obtained in England, were English passports illegally secured in the name of British subjects born in the British isles; and, with such spurious passports, these illegal immigrants violated this land of ours and well intended to remain here. It is our reasonable right and privilege to ask ourselves what kind of citizens these gentlemen could have become here in Canada. There surely were reasons for their not being able to enter legally; however, I shall not deal with them at length tonight, but I may be given an occasion of discussing them later on, in another debate.

Under the circumstances, it therefore affords me great pleasure to very heartily congratulate the hon. the Minister of Immigration (Mr. Glen) on his firm stand with respect to these immigrants.

Mr. MICHAUD: Hear, hear!

Mr. GAUTHIER: And I trust that he will continue—to quote an expression much in use amongst French Canadians—to stand up and resist the influences which will no doubt make themselves felt on behalf of these illegal immigrants, and that he will not rest—no more than we will in fact—until they have gone back where they belong.

Once again I hope that the Minister of Immigration will remain adamant and that the arguments and reasons he has advanced in support of the firm stand he has taken will be accepted by all.

Canada, he says, has provided for the entry of a considerable number of displaced persons from Europe, of which a large proportion, having been examined and accepted, are patiently waiting for the necessary transport facilities. It would be inconceivable that advantage be taken of these people by a recourse to illegal means. Any other decision would not only be unfair, but would encourage these people to again resort to the same tactics and to benefit financially and otherwise from such illegal ventures.

Again I am not the only one to congratulate the minister. I am sure that the Canadian people will also give him credit for his courage in taking this attitude which I feel he will preserve until justice has been done in this particular case.

Some hon. MEMBERS: Hear, hear.

Mr. GAUTHIER (Portneuf): In fact, current events justify the minister and his officials for being adamant in the choice of immigrants to whom Canadian citizenship is to be granted.

I have here a picture taken from the Montreal *Gazette* of February 13, 1948. An accompanying article tells of the seizure by provincial and city police of certain documents, lottery tickets which show that the communist party is not to be found only in Moscow or in the Cominform, the new organization set up in lieu of the Comintern. Those lottery tickets came from Italy. This picture shows first Tim Buck, of Toronto, leader of the Labour Progressive party, and, just under, one of those lottery tickets, the proceeds of which were to be used for the consolidation of the Italian republic. Lower down, I read these words which I translate as I go along: "This subscription is in favour of the Italian communist party to promote elections to the national assembly. In spite of my limited knowledge of the Italian language, I can give a literal translation. We are fully justified, Mr. Speaker, in asking that the Immigration Department or division be more adamant in these matters. Those lottery tickets were surely smuggled somehow into Canada. In Montreal, they were distributed in several places. There is evidence that the communist party is supplying funds for the Italian elections next April. Are we not justified in asking the authorities, federal, provincial and municipal to be on the alert and to work untiringly in order to unearth the subversive propaganda with which we are literally swamped in Canada? I am not afraid to

speak frankly. Those documents have been seized, but how many more are circulating in the country and in our homes.

I hope, Mr. Speaker, that any or all of our government authorities will not stop investigating nor relax their vigilance and thus spare themselves our censure for their guilty weakness and apathy. In 1937, when I mentioned communist activities in this country, all I got was more or less derisive laughter from the house. That happened just a little over ten years ago and yet, today, in Canada, we find a communist party that styles itself labour progressive. What matters, however, is not its name but the fact that it has recognized leaders and is extremely active. I do not claim that we should ban these radicals in order to curb the party's activities in the most effective fashion, but I do contend that we must be well acquainted with the communist theory in order to fight it successfully. For Christians, the best way to oppose communism is to live a Christian life. We must not hesitate, even in public, to show that we are Christians, nor must we refrain from studying this questionable philosophy, for when we have become familiar with it, we shall be better equipped to fight it, the weapon of knowledge being even more effective than that of legislation.

Some hon. MEMBERS: Hear, hear!

Mr. GAUTHIER (Portneuf): The whole population, however, can perhaps not understand the rather obscure philosophy of Marx or Lenin. Others will have to explain their teachings. Nevertheless, let those who really believe in a sound democracy such as we acknowledge in Canada, come to the vanguard and make themselves the apostles of this theory. Let them not fear to draw a parallel between the communist doctrine and our sound democracy. With these methods, we shall surely triumph, and triumph all the more easily if, by judicious and fair legislation, we provide our people with the well-being which they have a right to expect.

(Text):

Mr. F. T. STANFIELD (Colchester-Hants): Mr. Speaker, in rising to take part in this debate I should like, first of all, to congratulate the mover and the seconder of the address in reply upon the able manner in which they acquitted themselves. I am sure, if one may judge from their contribution to this debate, they have bright futures in the political life of our country.

Much has been said in this debate about wheat and hogs. In fact, some nights when I go home I fear that I shall dream of hogs and wheat. Therefore this evening I feel that I would be justified for a few moments if I were to set out the merits of the old province of Nova Scotia, and to say something about the fine people who live by the sea.

Nova Scotia is a pleasant spot indeed in which to live; and the people who live there are the finest to be found anywhere on this globe. They live in a very happy and pleasant way. Contrary to what many people think, especially to what you may read in some papers, most Nova Scotians live in lovely homes. They are proud of their homes and they take great interest in them. They have civic pride in their properties and they keep them in the best repair possible. I think the homes in Nova Scotia compare favourably with those in any other part of Canada.

The people of Nova Scotia enjoy life. They do not chase the dollar quite as hard as do the people of Ontario and Quebec. When they want to go fishing, they go fishing; when they want to play golf, they play golf; when they want to dance, they go to a dance, and they have the privilege of dancing with as many beautiful, gifted and charming ladies as there are any place else in the world.

A lot of people think that we are paupers there, that we are poor financially. I am quite willing to admit that there are other parts of the world which are more prosperous than we are, that possess more of this world's goods, but those people do not enjoy life any more than we do. We have never had to ask for a great deal of assistance. I should like to point out to some of these western bronchos who do so much talking about wheat and hogs that a few years ago when the price of wheat and hogs was not so high as it has been of late years many of the towns in Nova Scotia sent carload after carload of clothing and other things out to the people who were suffering from such hard times in the west. We have a great fondness for western Canada because many Nova Scotians have gone out there to settle.

The people of Nova Scotia are very thrifty and conservative by nature. You understand, sir, that I use the word "conservative" to denote their thriftiness, not their politics. We in Nova Scotia are proud of our educational system. We have Dalhousie University; we have Acadia University and we have St.

Francis Xavier University. Then there is King's College, which is really affiliated with Dalhousie. We educate our people down there in order that they can help to build up the rest of the world. Perhaps it is too bad that many of our people leave the province, but Nova Scotians are great people to roam. They like to go away and see the world. Everywhere you go you will find Nova Scotians and you will find also that most of them have done very well indeed.

Just a word about our countryside, our picturesque scenery. We have heard a great deal about the scenery in Ontario and British Columbia, but I do not think the countryside of Nova Scotia has to take a back seat to any area. Let me tell you that it makes you feel good to be alive to take a drive along the Dartmouth lakes on a fine, bright autumn afternoon, when the leaves of the hardwood trees have turned to red. Then there is another lovely drive from Hawkesbury to Hastings. When you go through there in the evening just as the sun is about to set you would almost think you were in Switzerland. Then there is another lovely scenic drive around Cabot trail. I think all who have taken that drive will agree that the scenery is picturesque. In fact our province is just one picture after another. I invite those who do not believe me to come down to see for themselves.

The climate of Nova Scotia is quite bad in the spring and we can offer no excuses. We are not very proud of that weather, but for the other nine months of the year the climate is most delightful. At times it may have its drawbacks, but most of the time it will compare favourably with the climate in any other part of the world, yes, even in Ottawa.

We have good roads in Nova Scotia. Perhaps we have to thank the Liberal government for them. I hate to do it, but that is the fact. All our main trunk roads are paved with asphalt. We have no four-lane highways like there are in Ontario and Quebec, but our main roads are all paved and our secondary roads are rapidly being paved. The province of Nova Scotia is a natural set-up for the tourist trade.

It may be said that we have not sufficient tourist accommodation in the province. Let me mention some of the best. There is a grand summer hotel at White Point beach; then there is The Pines at Digby, and then there is the Keltic Lodge in Cape Breton. Those tourist resorts are as fine as you will find any place, and we are proud of them. Additional hotels and tourist camps are being erected all the time. I am certain that Nova Scotia has a very bright future as far as the tourist trade is concerned, and in saying that I am not forgetting that we have enjoyed a very good tourist business in the past. However, with our good roads, our lovely climate and our hospitable people, I am sure our tourist business will continue to grow.

As I said before, I realize that perhaps there are more prosperous places in Canada than Nova Scotia, and I should like to point out a few ways in which I think our province could be helped to better its economic position. I am not one of those who believe that Nova Scotia should not have entered confederation. I believe our place is in confederation, but perhaps we should have received better treatment. Some of the fault may lie with ourselves because we are not as aggressive as we might be; but, be that as it may, we have not received as much consideration as we should have.

For instance, in order to get to the island of Cape Breton you have to cross about a mile of water. There are about 150,000 people on the island of Cape Breton and they have to go back and forth on a ferryboat. I believe, and so do most Nova Scotians, that a bridge should be built across the strait of Canso to connect the island of Cape Breton with the mainland. It is my belief that if 150,000 people were living on an island in lake Ontario, separated from the mainland by only a mile of water, they would have had a bridge long ago. We may be told that it would cost a lot of money to build that bridge because of the swiftness of the water and ice conditions in the spring of the year. That is true, but I am sure that the difficulties are not insuperable, and bridges have been built over harder places than the strait of Canso. Suppose it does cost $15,000,000. Today we have become so accustomed to talking in terms of hundreds of millions of dollars that $15,000,000 in comparison seems very small.

I would also suggest to the Minister of Transport (Mr. Chevrier) that a faster train service be provided between Montreal and Halifax. I know you cannot change geography, but the time can be shortened that it takes a train to go from Montreal to Halifax. I realize that the roadbed from Montreal to Halifax is not as good as that between Montreal and Chicago and that the Halifax train cannot, therefore, make as fast time, but I have a suggestion to make to the minister which would speed up the service. Instead of running three trains around to Campbellton

and away down the St. Lawrence river, I suggest that one train, after it leaves Moncton, be routed over the Grand Trunk Pacific and go through Fredericton, Edmundston and on to Montreal. I understand that this route would shorten the running time by four or five hours between Montreal and Halifax. I would also point out that the people of Fredericton and Edmundston and all the way along that line have a very poor train service to Montreal, just as poor as anything could be. If my suggestions were adopted, not only would the running time between Montreal and Halifax be shortened by four or five hours, but these places which I mentioned would have a first-class rail service to and from Montreal. The other two trains could run over the present route to serve that traffic. I believe that the people of Moncton and the province of Nova Scotia are entitled to ask the Minister of Transport to look carefully into this suggestion to see if it is not feasible.

There is one subject on which there has been no discussion at all in this house, and it is that of our great forest industry and allied industries. It comes next in importance to agriculture combined with our dairying industry. I realize that our forests are in the care of the province, but still it is the duty of every citizen of Canada—and this house is a very important body of Canadian citizens—to look after the welfare of our forests. The forests of Nova Scotia have been greatly depleted in the last twenty years; yet they are of untold value to our province; and, while selective cutting, reforestation and the care of our forests are in the hands of the provincial government, it is my conviction that this government should do everything it can to foster and speed up the care of our forests. They are the second greatest form of wealth we have across Canada and are being depleted by fire, insects and ruthless cutting. The forests are vanishing more quickly than they should be. But with proper cutting and reforestation practices we would have in Nova Scotia enough lumber to last us forever. I think 500,000,000 feet of lumber are being cut lately every year, besides pulpwood, hardwood, et cetera, from the forests of our province. If we took as good care of our forests as Sweden and other countries do, our children would never need to worry about the income to be derived from the forest wealth of our province.

There is another way in which our province could be helped. The hon. member for Cumberland (Mr. Black) has been speaking on behalf of the marshlands for many years. These lands have practically gone to waste, from many causes into which I shall not go at the moment. But when you see elsewhere in the province small farms being settled on land suitable for growing only a few spruce trees and then see those rich marshlands flooded out and the buildings falling down on the adjacent upland, with only a few cattle here and there trying to pick up a living, I sometimes wonder what is the matter. The marshlands cannot be reclaimed by the settlers or farmers themselves because it takes heavy machinery to do it. In the old days that work was all done by hand. In 1750, the Tantramar marshes under the French settlers were built. They were assisted by prison labour brought out from France. They did not know what a steam shovel was; all they had was oxen and a hand shovel. But today we have bulldozers and all the necessary equipment for rehabilitating those marshlands. I am afraid, however, that the marshlands constitute more or less of a political football, and I am not blaming the Minister of Agriculture (Mr. Gardiner), because I believe he is sympathetic toward rehabilitating those lands.

I should like to say a word or two on the deficiency of the United States dollar, a situation into which we run every ten or twelve years. I believe we should have a long-term national policy whereby we could make in Canada a great many of the articles we now import from the United States, thereby building up our country and providing more employment for our people. May I suggest, Mr. Speaker, that some of these industries be established in Nova Scotia. We shall welcome the help of the dominion government in having new industries established in our province. Somebody may say that these industries could not be run down there. I should like to point out that in Nova Scotia there are many industries which have prospered for many years and sold their products across this fair land of ours. I can assure this house that industry can be run profitably in Nova Scotia. Therefore I would ask the house to lend us its support to see if some of these industries cannot be established in Nova Scotia to make the products that we have been buying across the border so that the deficiency in United States dollars will not keep on recurring.

I think I have spoken for twenty minutes, Mr. Speaker, and that is a long time for me; therefore I shall take my seat.

Mr. P. E. WRIGHT (Melfort): Mr. Speaker, I am sure we have all enjoyed the speech of the hon. member for Colchester-Hants (Mr. Stanfield) telling us of the beauties of the maritimes. I can agree with

him. I have had an opportunity of visiting the maritimes several times during the last two or three years and I know of no place in Canada where there are more beautiful scenes than in that part of the country. I would say it would be a very good trip for any Canadian to spend a week or two in the maritimes in the fall of the year when everything looks so beautiful down there.

However, the hon. member for Colchester-Hants is not quite so optimistic as the senior member for Halifax (Mr. Isnor) with respect to the maritimes. He realizes that they have difficulties down there and thus it is necessary for some action to be taken to solve some of these difficulties. The senior member for Halifax apparently thinks the difficulties are all solved and when other hon. members from the maritimes suggest that there are still things which might be done down there he chides them and indicates that everything is quite all right.

Mr. ISNOR: Like yourself, they do not know conditions.

Mr. WRIGHT: It was amusing to me to read an editorial in his own paper, the Halifax *Chronicle,* printed on the day that he made his speech in the house. I think I should put it on the record, because it does not bear out what the hon. member said here. In fact it says this:

> Some Cheer Would be Welcome
>
> In his press interview of last week end the Right Hon. C. D. Howe ran the gamut of the political octave in respect to Nova Scotia with remarkable optimism, and made a number of very plain statements. Specifically, to the question as to whether he had anything to say to cheer the citizens of Halifax, in view of the prevailing unemployment situation, the Minister of Trade and Commerce queried whether any cheer is necessary and suggested that a considerable number of our unemployed are seasonal workers who have alternative means of getting a living when their normal trade is slack.
>
> National employment service here could probably disillusion Mr. Howe on this point. There are, admittedly, odd jobs here and there that men can take. But they do not fill the dinner pail, and they come nowhere near to the point of absorbing even temporarily the total number of unemployed. Over the week end, according to officials of the freight handlers' union, not a single stevedore or freight-handler was employed on the waterfront at the time of year when work should be most plentiful. A lack of steel has thrown many out of work at the shipyards. Men with skills such as these unemployed have are hardly the types that ought to be set to work shovelling snow. That is like putting an unemployed architect to work laying bricks.
>
> The trouble at bottom is that, while these men are losing work, the province is in some danger of losing industries which have been built up painfully during the war. That is not merely a local problem. It is one which, if not rectified soon, will have permanent repercussions on various branches of industry all over the country in the future. It is the part of wise statesmanship to foresee such tendencies and to take steps to forestall them. Mere optimism will solve none of our problems here or elsewhere. We need wise planning and fast action.

That is exactly what the hon. member for Cape Breton South (Mr. Gillis) was suggesting in this house. To solve some of the problems in that part of the country, it is necessary to take action and to take action immediately. The senior member for Halifax said that certain western members had gone to the maritimes to tell the farmers there how to make money. I can assure the hon. member that the farmers of the maritimes know their business quite well enough without having to take any advice from farmers from any other part of the country. They are quite efficient in their methods of operation. If they had not been they would not have stayed in business during the thirties.

In my conversations with farmers in the maritimes, I found them very much the same as farmers all over Canada. All they ask for is an even break in this economy of ours, and they are prepared to do their bit in providing the food that is necessary. They, along with farmers all over Canada, are anxious about the present situation. When they find that ceilings have been placed on the goods which they have to sell, while no controls are placed over many of the things they have to buy, is it not enough for the Minister of Agriculture (Mr. Gardiner) to rise in his place and say, as he did the other day, that we have in this country a guarantee in the form of an Agricultural Prices Support Act that will guarantee in the future that agricultural prices will be maintained at a stable level. The Minister of Agriculture said as reported at page 807 of *Hansard* the other day:

> The policy which protects the consumer is sound because we have said in the prices support legislation that if the time ever comes when the bottom falls out of prices we will ask every taxpayer in this country to help to the extent provided in the Agricultural Prices Support Act, that is, $200 million, to maintain the price levels.

The Minister of Agriculture knows quite well that is an act set up for the purpose of maintaining floor prices under agricultural products during the transitional period; it sets out quite clearly in the act that it is an act to protect prices during the transitional period from war to peace. When these subsidies are all removed and we are through the transitional period, at the very time when it will be necessary to give some support to agriculture this act, according to its own words which will be found in another place in *Hansard,* will be

ultra vires, if maintained at any other time than during the transitional period. That is one of the points which we in this group have been urging on the government. We have been asking them to make this legislation permanent legislation and provide that these floor prices will be maintained when they are needed.

On motion of Mr. Wright the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. ST. LAURENT: I know the Minister of Finance is ready on Monday with both Bill No. 3 and Bill No. 7, dealing with the gold subsidy. There have been requests from many members of the house on both sides that the latter bill be taken up at an early date. The Minister of Finance is not here today. He had official duties that called him elsewhere, and I am sorry not to be able to say in which order he intends to proceed, but he is ready with both of them for Monday. I hope that the order which he will select will be one that will be convenient to hon. members.

Mr. GREEN: Either Bill No. 3 or Bill No. 7?

Mr. ST. LAURENT: Both are ready. There were some hopes that both might be disposed of, but I am not able to say which order he will prefer.

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

HOUSE OF COMMONS

Monday, February 16, 1948

The house met at three o'clock.

PRIVILEGE

MR. SINCLAIR—TRAVELLING EXPENSES OF MEMBERS BETWEEN RESIDENCE AND OTTAWA

Mr. JAMES SINCLAIR (Vancouver North): Mr. Speaker, I rise to a question of privilege affecting the hon. member for Comox-Alberni (Mr. Gibson), myself, and every member in the house who comes from a distance to attend parliament. At the beginning of the last session we went to the accountant of the House of Commons and submitted our travelling expenses, along with receipts, in accordance with the Senate and House of Commons Act, section 43(1) of which states:

> For each session of parliament, there shall also be allowed to each member of the Senate and of the House of Commons his actual moving or transportation expenses, and reasonable living expenses while on the journey between his place of residence and Ottawa, going and coming, once each way.

When we applied to the House of Commons accountant for payment of those expense accounts we were informed that Your Honour had ruled our accounts out of order. No reason was given, but the inference was that because we travelled by air our accounts were not in order.

I submit that the House of Commons Act makes no limitations as to the type of transportation to be used. When the first British Columbia members came here they came by sailing ship to San Francisco, across the continent by rail and then north by stage, for a matter of twenty-six days. Since that time we have had rail transportation; and since the advent of the Trans-Canada air lines, cabinet ministers, businessmen and civil servants have travelled back and forth by air. But we have been limited to travel by rail. If Your Honour will examine the public accounts for 1944 you will find that one Vancouver member travelled by air and at Easter adjournment in 1946 and 1947 members travelled by air. The hon. member for Yukon (Mr. Black) informs me that he regularly travels by air and his accounts are approved. For the pre-Christmas session, the British Columbia members who travelled by rail had to spend eight days travelling to attend a session lasting eleven days. Moreover, those who went home by rail arrived only the day before Christmas.

We suffer enough by being absent from our homes for six months without having to drag ourselves across the continent by rail, and as a member of parliament I request that Your Honour give the reason which you gave to the accountant of the House of Commons as to why the expense accounts for the hon. member for Comox-Alberni and myself were refused.

Mr. SPEAKER: The hon. member may be assured that due consideration will be given to the matter.

Mr. SINCLAIR: With all due respect, you have already made your decision. I am only asking that as a member of parliament I be afforded the same courtesy as is given the accountant of the House of Commons.

Mr. SPEAKER: I call the attention of the hon. member to a very well known rule, that the Speaker should not be questioned from the floor of the house. I have noted the remarks made by the hon. member, and he may be assured that due consideration will be given them.

VETERANS AFFAIRS

PENSIONS AND STUDENT TRAINING ALLOWANCES —STATEMENT OF PRIME MINISTER

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I wish to make a statement to the house with respect to pensions and student veterans' training allowances.

On the 19th December, 1947, I made a statement in this house respecting veterans pensions in the course of which I said that "in the case of disabled veterans and pensioned widows, the government will introduce legislation during the present session of parliament to amend the Pension Act, in order to provide for an increase in rates of compensation", and that such "increases will be made effective as of October 1, 1947".

During the recess of parliament the government continued to give careful consideration to the adequacy of the pensions in respect of disability and death, and particularly to the provision for dependents. Representations

were received from the national organizations of ex-service men and women, and the entire situation was reviewed by the Department and by the government.

I am pleased to announce that a bill to amend the Pension Act is now virtually ready for introduction. I am prepared at once to give in outline what the government intends to propose:

(a) The basic scale of pensions for total disability and death will be increased and, for all ranks up to and including that of captain, the compensation will be at a rate in excess of that at present being paid on behalf of captains.

(b) The additional pension which is being paid on behalf of the wives and children of disability pensioners, and the children of pensioned widows, will be substantially increased, as will the awards to orphan children.

(c) The maximum award to the eligible parent or parents of a member of the forces who has died will be correspondingly increased.

With the consent of the house I shall now table a schedule reflecting the upward adjustments I have outlined. It is estimated that these adjustments over present rates will involve a total increase in cost of approximately $12,000,000.

These increased rates will, to a greater or lesser degree, affect over 400,000 persons and in accordance with my original announcement, will be effective from October 1, 1947. The government is anxious to have these retroactive payments made as early as possible. Although everything possible will be done to enable this to be accomplished, it will necessarily be a matter of some weeks, after authority is received, before the adjustment cheques can be ready.

The government has also been giving close and sympathetic consideration to the position of veterans in training, both vocational and university. It has been decided to change the schedule of training rates to provide increases to married veterans, and to those with dependents, in conformity with the rates in this schedule which I now table.

The effect of these increases will be as follows: A married veteran while taking training will receive $90 per month instead of $80. In addition, there will be payable on behalf of the first child $18 instead of $12, and for the second child $14, with proportionate increases for succeeding children, so that a married veteran with three children will receive $134 per month instead of $114. In addition to these rates, tuition fees will continue to be paid.

[Mr. Mackenzie King.]

The increased rates are effective as from January 1, 1948. It is hoped that the increases will overcome many of the difficulties being experienced by married veteran students.

Mr. PEARKES: Is provision being made for increases under the War Veterans Allowance Act?

Hon. MILTON F. GREGG (Minister of Veterans Affairs): The amendments to the War Veterans Allowance Act are still under study, and the proposals will be completed before the end of the present week.

[*Later:*]

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I wish to ask the Prime Minister a question based upon his announcement that legislation is proposed with respect to an increase in veterans' pensions and allowances. I understand that the increases cannot be made effective until the legislation has passed through parliament. If that is so, may I suggest to the Prime Minister that when the legislation is brought in we give it priority. We give priority to veterans generally, and I think we should give priority to this legislation.

Mr. GREEN: A further question along the same line: Is it the intention to send that amendment to the Pension Act to the special committee?

Mr. MACKENZIE KING: To send which amendment?

Mr. GREEN: Is it the intention to send to the special committee being set up to consider veterans affairs the bill amending the Pension Act?

Mr. MACKENZIE KING: I cannot give an answer at the moment, but I will have a reply later.

[*Later:*]

Mrs. STRUM: The Prime Minister mentioned married student veterans. Does that mean there will be no increase in the allowances to the unmarried man or girl veteran?

Mr. MACKENZIE KING: I can speak for the unmarried man; there will be none for him. My hon. friend, the Minister of Veterans Affairs, may speak for the ladies.

Some hon. MEMBERS: Oh, oh.

Mrs. STRUM: Student veterans.

Mr. GREGG: It is correct; there is no increase indicated for the unmarried veteran.

Mrs. STRUM: Or the girls.

Mr. GREGG: Veterans, men or women.

Mr. GIBSON (Comox-Alberni): The Prime Minister indicated in his announcement that the increase in the veterans pension payments would total $12,000,000. Does that include the $7,500,000 he announced on December 19, or is it in addition to that?

Mr. MACKENZIE KING: I say to my hon. friend it does include it.

LABOUR CONDITIONS

CONVENTIONS AND RECOMMENDATIONS OF INTERNATIONAL LABOUR CONFERENCE, GENEVA, 1947

Hon. HUMPHREY MITCHELL (Minister of Labour): In conformity with the provisions of article XIX of the constitution of the international labour organization I desire to table the authentic text of the conventions and recommendations adopted at the thirtieth session of the International Labour Conference at Geneva in June and July last; also copy of P.C. 287 setting out the legislative jurisdiction involved therein.

DIPLOMATIC SERVICE

CORRESPONDENCE BETWEEN HIS MAJESTY AND THE PRIME MINISTER

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, on February 12, I indicated to the house that I would examine the press articles referred to by the hon. member for St. Maurice-Lafleche (Mr. Hamel) in his question of that day in connection with the new letters patent governing the office of Governor General of Canada. I have now had an opportunity of doing so and also of reading a subsequent article published in *Le Devoir* on February 13. This last article bears the title: "Mr. St. Laurent quite annoyed at the leakage of the state secret."

I hope I did not display any annoyance—which I certainly did not feel—though I was concerned to find that there had been any leakage about confidential correspondence between the Prime Minister of Canada and the secretary of His Majesty the King in his capacity as King of Canada. My concern was not over the contents of the correspondence but over the impropriety of publicity about something which, not only by tradition and by courtesy but also by proper constitutional practice, and even by the implication of the ministerial oaths of office, has always been and should be treated as highly confidential.

Of course it could be no secret that there must have been correspondence in connection with the new letters patent since it was apparent they were signed by His Majesty himself in London and authenticated under the Great Seal of Canada and countersigned by the Prime Minister of Canada in Ottawa. But the form and tenor of that correspondence was just as confidential as would have been their conversation if the Prime Minister of Canada had approached His Majesty in person at Buckingham Palace or elsewhere and the completion of the letters patent been arranged orally.

Nor was it any secret that though the terms of these letters patent made it legally possible for the governor general, on the advice of Canadian ministers, to exercise any of the powers and authorities of the crown in respect of Canada, without the necessity of submission being made to His Majesty, including among others, royal full powers for the issuance of letters of credence for Canadian ambassadors and foreign ministers, there was no legal necessity to alter existing practices and that it would be the responsibility of the government of Canada, in any prerogative matter affecting Canada, to determine whether the submission should go to His Majesty or to the governor general.

What I have just stated was made perfectly clear to the press by the Prime Minister on October 1, 1947. What gave me some concern is the publication of garbled and speculative accounts of when this correspondence is supposed to have been exchanged and what it is supposed to contain.

Though the publication of the correspondence would at once dispel all this, the government is not disposed to take that easy way of dispelling it, because at best it would be discourteous to His Majesty and because of its possible effect as a precedent on confidential exchanges of views between the sovereign and his responsible advisers in relation to public affairs prior to decisions or actions for which his advisers themselves and they only have full constitutional responsibility.

Le Devoir in its article of February 13 narrows its alleged disclosures to one assertion. After discussing the Prime Minister's communication to the press it says in so many words:

> The only new fact asserted by *Le Devoir* is the existence of a personal communication of the king expressing the desire that our ambassadors' letters of credence continue to be submitted to him for signature. It is precisely this royal communication which constitutes the state secret which it was desired to keep inviolate.

After making that assertion, the paper states:

> The Canadian people have the right to know if King George VI did express, in a communication to the Canadian government, a personal desire which would amount to an intrusion of the government of Great Britain in our foreign politics. The Canadian people also have the right to know if the king expressed this desire before the issuance of the new letters patent or only during the last weeks.

I feel I can say this much: There has been no communication whatsoever from His Majesty referring to the manner in which it would be agreeable to him to have letters of credence to Canadian ambassadors and ministers dealt with since May, 1947 and there has been no communication at any time which would amount to an intrusion by the government of Great Britain in our foreign politics.

Any suggestion that His Majesty may have been acting on advice of the United Kingdom ministers in the course of the correspondence with the Prime Minister of Canada about these letters patent is fantastic. I will merely recall, because it is too clear to require any comment, that the right to advise His Majesty in prerogative matters affecting Canada resides exclusively in the government of Canada.

The conference on the operation of dominion legislation held in London in 1929 to provide for the implementation of the declaration of the imperial conference of 1926, made the following declaration:

> It is the right of the government of each dominion to advise the Crown in relation to all matters relating to its own affairs.

The report of this conference was approved by the imperial conference of 1930.

This was followed by the statute of Westminster, 1931, which refers to the declarations and resolutions set forth in the reports of these conferences and makes the legislative provisions required to ratify, confirm and establish such of these declarations and resolutions as it was necessary to deal with by legislation.

The new letters patent in increasing the powers of the governor general represent a very significant constitutional advance in line with the declarations of the conferences and the statute of Westminster. To suggest that there has been anything whatsoever which could be regarded as retrogressive in connection therewith or in connection with the practices thereunder is absolutely unwarranted.

What I have already said disposes also of the assertion in the article of the Chicago *Tribune* referred to by the hon. member. With regard to the references in that article to the appointment of Mr. Edmond Turcotte, I need only say this: The correspondence relating to the new letters patent and to what was intended to be the practice thereunder took place several months before Mr. Turcotte's appointment. Moreover, Mr. Turcotte was not appointed ambassador or minister. He was appointed consul general, an appointment of a different character, which was made by order of His Excellency the Governor General in council on the 27th of October last.

HOUSE OF COMMONS

WELCOME TO MEMBERS ON RETURN TO HOUSE AFTER ILLNESS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I have been pleased to observe that the leader of the C.C.F. party (Mr. Coldwell) is in his seat today. I think I may venture to say, on behalf of all parties in the house, that we much regretted the indisposition which caused his absence from the house during the past ten days, and we are pleased indeed to see him again in his seat.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I am glad to say that in this matter the Prime Minister speaks I think for all members of the house. I am glad to see the leader of the C.C.F. party back in his seat.

Mr. R. M. WARREN (Renfrew North): Mr. Speaker, I should like to draw attention to the fact that a friend of ours, the hon. member for Selkirk (Mr. Bryce), who has been absent from the house for some time on account of illness, is with us again today. On behalf of the back benchers I wish to welcome him back to his place in this house.

FUR SEALS

PROVISIONAL AGREEMENT BETWEEN CANADA AND THE UNITED STATES

Hon. J. A. MacKINNON (Minister of Fisheries) moved the first reading of Bill No. 35 (from the senate) respecting the provisional fur seal agreement between Canada and the United States.

Motion agreed to and bill read the first time.

WAR SERVICE GRANTS ACT

ABOLITION OF BOARD OF REVIEW

Hon. MILTON F. GREGG (Minister of Veterans Affairs) moved the first reading of Bill No. 47 (from the senate) to amend the War Service Grants Act, 1944.

Motion agreed to and bill read the first time.

PRIVATE BILLS

SENATE BILLS—FIRST READINGS

Bill No. 36 for the relief of Adelaide Margaret Munn Bain.—Mr. Maybank.

Bill No. 37 for the relief of Gwendolyn Beulah Russell Denefeld.—Mr. Maybank.

Bill No. 38 for the relief of Miriam Salomon Starr.—Mr. Maybank.

Bill No. 39 for the relief of Laura Krause Suffrin.—Mr. Maybank.

Bill No. 40 for the relief of Jean Fullarton Craig Walker.—Mr. Maybank.

Bill No. 41 for the relief of William Hesketh. —Mr. Maybank.

Bill No. 42 for the relief of Janet Alice Smith Bennett.—Mr. Maybank.

Bill No. 43 for the relief of Gwendoline Elizabeth Hunt Edmund.—Mr. Maybank.

Bill No. 44 for the relief of Reta Mabel Welch Gilbert.—Mr. Maybank.

Bill No. 45 for the relief of Leah Shrimer Schanker.—Mr. Maybank.

Bill No. 46 for the relief of Doris Mary Stratton Stuart.—Mr. Maybank.

Bill No. 48 to incorporate National General Insurance Company.—Mr. Benidickson.

Bill No. 49 respecting The Eastern Trust Company.—Mr. Isnor.

Bill No. 50 respecting The Ruthenian Catholic Mission of the Order of Saint Basil the Great in Canada.—Mr. Hlynka.

CANADIAN WHEAT BOARD ACT

PROVISION FOR EMPLOYEES' PENSIONS, MINIMUM PRICE ON WHEAT DELIVERIES, ETC.

Right Hon. C. D. HOWE (Minister of Trade and Commerce) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill to amend the Canadian Wheat Board Act, to authorize the board to provide pensions for members, officers and employees and to make provision for the increase of the fixed minimum price on wheat deliveries; to extend the control of interprovincial movements of wheat products and to empower the governor in council to extend the present system to oats or barley.

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

Motion agreed to.

HOUSING

INQUIRY AS TO RENTAL CEILING INCREASE

On the orders of the day:

Mr. DONALD M. FLEMING (Eglinton): May I ask the Minister of Finance whether there is any truth in the statement in the press that the government is contemplating an increase in the present ceiling on housing accommodation?

Hon. DOUGLAS ABBOTT (Minister of Finance): Obviously the question is one of government policy, which will be announced in due course.

LABOUR CONDITIONS

EMPLOYMENT CONDITIONS IN HALIFAX

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, may I direct a question to the Minister of Labour of which I have given him notice? The radio this morning announced that there were 7,500 unemployed in the city of Halifax, with a possible layoff of 2,000 more within the month. Has the minister been advised of this? Is his department taking any steps with regard to employment or relief measures in that city, and has he checked with the senior member for Halifax (Mr. Isnor), who might have a solution?

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, the employment situation in certain sections of the maritimes, including Cape Breton, New Glasgow and Halifax, has been receiving special attention for several weeks past. The situation at Halifax has considerably worsened in the last few days on account of the sudden drop in shipping.

The rather unfavourable situation in the maritimes is explained by a number of circumstances. The freight traffic through the maritime ports has reached an all-time low since before the war.

Mr. FRASER: That is government policy for you.

Mr. MITCHELL: I shall not say what I might have said. The cut of logs for lumber has been lighter this year and lumbermen have not been in as great demand as heretofore. Shortages of material, especially steel, have affected work in the shipyards and layoffs have occurred. Other industries have also had to curtail on account of the shortage of material. On Saturday the Halifax shipyards laid off 300 men. For the first time since the war the textile plants report sufficient staff and there are no vacancies other than for skilled workers.

With regard to the immediate situation in Halifax city and county I was advised at noon today that there were registered in our Halifax office a total of 4,187 men and

women seeking employment. That is a drop of 3,000 from my hon. friend's figure.

Mr. GILLIS: My figure came over the radio this morning.

Mr. MITCHELL: You cannot believe everything you hear, even over the radio. Unemployment insurance benefits were being paid to 2,728 of the persons registered for employment. This, of course, does not mean that some of the others who are not being paid are not eligible for benefits. They may have been laid off in the last few days. It simply means that in many cases they have not been out of work long enough to claim the benefits. In addition, there are 1,800 stevedores on the stevedores' register, and there were fewer than 400 working today. The department has been giving close attention to the situation particularly that which has existed in Cape Breton and New Glasgow. Men out of work, and some women too, have been offered free transportation to other parts of Canada. This offer has, in fact, been standing for several months. Up to date 2,632 persons have been moved by the department.

Mr. SMITH (Calgary West): Never send another notice or you will get more of this.

Mr. MITCHELL: I shall tell the whole story, and leave nothing to the imagination.

While I am on the subject I should like to state that a good deal of construction is being planned in the maritimes. Halifax city has under consideration a housing project, of 300 units. A new pier and emigration shed at east Saint John is at the planning stage. East Saint John has a plan underway for a housing project.

Contracts have been let to the Saint John Dry dock company for a wharf construction job to cost $2,500,000. The provincial governments are planning for a heavy program of highway and bridge construction for the coming season. Two of the brickyards have closed down and are remodelling so that they can increase their production. The Nova Scotia power commission has announced a $5,000,000 program of hydro development. All of these things lead one to believe that the present situation is largely seasonal in character.

There are some very encouraging things that should be reported; for example, close to one million crates of New Brunswick seed potatoes have been shipped from the port of Saint John to Argentina and other South American countries during the past three months, the arrangements for which shipments were due to the activities of the Department of Trade and Commerce.

[Mr. Mitchell.]

There has been a very brisk movement of maritime woodsmen to the United States for lumber work, and many Canadian workers have taken advantage of the offer of employment in the United States and will be returning with a considerable number of United States dollars.

An hon. MEMBER: That will help.

Mr. MITCHELL: Let us have some pleasure, gentlemen. We do not want all misery. I know my hon. friends opposite want misery; I like something constructive.

Mr. KNOWLES: We are getting it now.

Mr. GRAYDON: You are trying to get sunshine out of cucumbers.

Mr. MITCHELL: We are not getting any sunshine out of the hon. member for Peel.

Mr. GRAYDON: I think you are, but perhaps you are not.

Mr. MITCHELL: Sardine fishermen landed record catches in 1947 and enjoyed a very successful year, due in part to the high December auction prices which brought double the usual prices.

Generally, labour management relations have been good. There has been no interruption of work in the coal or steel industry and, while several negotiations are under way at the present time I hope they will result in satisfactory agreements.

Mr. GRAYDON: What are hon. members applauding about?

Mr. HOMUTH: That settles the unemployment problem in Nova Scotia.

Mr. BRACKEN: I should like to direct a question to the Minister of Labour, arising out of the statement he has just made. As I listened to it I gathered that some 2,600 unemployed workers have left Nova Scotia to accept work elsewhere in Canada under the government's plan of assisting them to find work elsewhere. Will the minister state what period of time that movement of 2,600 workers covers?

Mr. MITCHELL: I would say about the last six months. I am speaking now from memory. I may say this to my hon. friend—and I think the hon. member for Cape Breton South (Mr. Gillis) will agree with me—that by the very nature of things during the war there was a heavy concentration of labour in Halifax. Inevitably when you change from a wartime to a peacetime economy there must be a shift of labour forces in that part of the country. I think that should also be taken into consideration.

Mr. BRACKEN: Will the minister indicate later how many persons left Nova Scotia under that plan prior to the time the 2,600 left?

Mr. MITCHELL: I shall be glad to give my hon. friend the numbers, and where they went, perhaps tomorrow.

Mr. GRAYDON: May I ask the Minister of Labour a supplementary question with respect to the movement of labour from Nova Scotia? Does he not think that this would be a good time, when there is need of work in that part of the country, to begin construction of the Canso bridge?

HUMAN RIGHTS

REPLIES RECEIVED FROM PROVINCIAL ATTORNEYS GENERAL AND LAW SCHOOLS TO LETTER SENT OUT BY COMMITTEE

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct a question to the Minister of Justice. In regard to the replies which have been received since November 1 to the letters sent out by the committee on human rights and fundamental freedoms to the attorneys general of the various provinces or to deans of law schools, will he table these replies?

Right Hon. J. L. ILSLEY (Minister of Justice): Yes, some additional replies have come in, one as recently as three or four days ago. Tomorrow I shall table all the replies that have been received.

VETERANS AFFAIRS

COMMITTEE TO INQUIRE INTO BRAEFOOT PROJECT

On the orders of the day:

Mr. G. R. PEARKES (Nanaimo): Will the Minister of Veterans Affairs give an answer to the question I asked on January 27 regarding the appointment of a special committee to inquire into the Braefoot project?

Hon. MILTON F. GREGG (Minister of Veterans Affairs): Mr. Speaker, the persons who are carrying out the investigation are meeting in Victoria today. I shall give the hon. member a further reply tomorrow.

BARBARA ANN SCOTT

WINNER OF EUROPEAN, OLYMPIC AND WORLD WOMEN'S FIGURE SKATING CHAMPIONSHIPS

On the orders of the day:

Mr. J. T. RICHARD (Ottawa East): Mr. Speaker, I think it is only fair that before I put my question to the Prime Minister I should pay particular tribute to a lovely lady from Ottawa who has become the queen of the skating world, Barbara Ann Scott. As the member for an Ottawa seat, the one in which the Minto skating club is located; and also as the owner of the first pair of fancy skates worn by Barbara Ann Scott. I am proud indeed to pay tribute to the fairest lady of this country. My question to the Prime Minister is whether any suggestions have been made to him with regard to the tribute to be paid to Barbara Ann.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, when Miss Barbara Ann Scott won the European championship and the Olympic championship I sent her a telegram on behalf of the government and people. Yesterday I sent another one to her, this time on the winning of the world championship. Hon. members would, I am sure, wish it to appear on *Hansard*. It is as follows:

Dear Barbara Ann: All Canada is prouder of you than ever. Once more warmest congratulations upon winning for the second time the world championship in figure-skating contests. Your triumph is shared by all your fellow-Canadians who now await your return to accord you a truly national welcome. I extend these congratulations on behalf of the government as well as on behalf of the people of Canada. In the world arena of sports you have indeed brought high honour to our country and to yourself.

W. L. Mackenzie King

I may say to my hon. friend that I have had some suggestions as to the recognition that might be given to Miss Scott when she returns; among others the communication from himself, received only a few minutes ago, and no doubt there will be other suggestions made. By the time Miss Scott returns I hope it may be possible to have general agreement on the form of recognition by the capital of Canada, representing the people of Canada, which it would be advisable she should receive.

Mr. McIVOR: I should like to ask another question. Would it be possible for her to appear before the House of Commons or the Senate?

Mr. MACKENZIE KING: Mr. Speaker, I think I might promise to take my hon. friend and introduce him privately to her any time he wishes.

BUSINESS OF THE HOUSE

On the orders of the day:

Mr. RODNEY ADAMSON (York West): On Friday night there was some debate as to whether Bill No. 3 or Bill No. 7 would come

on this afternoon. Will the Minister of Finance give even a tentative date when Bill No. 7 will be called? Will Bill No. 3 have to be concluded before Bill No. 7 is proceeded with?

Hon. DOUGLAS ABBOTT (Minister of Finance): I have not taken any definite decision, but I had assumed that we would try to conclude Bill 3 before passing on to Bill 7 or the other measures in connection with the dollar conservation program.

FOREIGN EXCHANGE CONSERVATION

PROHIBITION OF CERTAIN IMPORTS AND PROVISION FOR IMPORT QUOTAS AND PERMITS

The house resumed from Thursday, February 12, consideration in committee of Bill No. 3, respecting emergency measures for the conservation of Canadian foreign exchange resources—Mr. Abbott—Mr. Macdonald (Brantford City) in the chair.

On section 3—Goods not permitted import.

The CHAIRMAN: When the committee rose on Thursday night it was considering an amendment moved by Mr. Jaenicke, seconded by Mr. Knowles:

That subsection 1 of section 3 of Bill No. 3 be amended by inserting after the word "Canada" in line nine on page one of the said bill, the following words:

"from any country requiring gold or currency of the United States of America in payment or settlement of their purchase price."

Mr. MacINNIS: There has been a very long debate on this bill, not only on the second reading but in committee. I have taken no part in the debate so far but I wish to intervene for a moment to support the amendment moved by the member for Kindersley.

In order that I may make as logical an approach as possible in my support of the amendment, I wish to say just a few words as to the purpose of the bill.

The reason for the introduction of the bill now before us is that we have a large adverse balance of payments with the United States. It is hoped that by restrictions of imports from the United States, as well as in other ways, that adverse balance may be corrected. This part of the measure deals mostly with the restrictions of imports.

The debit trade balance with the United States for the past year, according to the dominion bureau of statistics figures, is over $918 million and about twice the amount of our trade balance last year. On the other hand, we have a credit trade balance with the United Kingdom of almost $565 million. Now here we have an adverse trade balance with

one country and a favourable trade balance with another, and the government's policy in dealing with the two is the same, that of imposing restrictions. That sort of policy does not make sense to me. There may be sense in it somewhere, but it does not make sense to me. The government, in two different situations, applies the same policy. I suggest that a realistic solution of the problem calls for restrictions of imports in the one case and encouragement of imports in the other. I believe that sort of policy is indicated from both the long-term and the short-term point of view.

Just a few words in regard to our trade with the United Kingdom. Our exports to the United Kingdom last year had a value of over $750 million. That is no mean market, and it would have been much more if we had been able to supply all the goods they wanted and if they had been able to pay for more goods than they did.

After the war we made large loans to the United Kingdom to enable her to buy our goods. Now we place restrictions on imports from the United Kingdom. As I said before, no matter how I look at this situation it does not make sense. Furthermore, it does not make sense when one takes into consideration the statement made by the Minister of Finance himself last Thursday evening when discussing this matter. I am not going to quote it but it will be found at page 1165 of *Hansard*. The statement was that United Kingdom exports to Canada are as good as United States dollars. If United Kingdom exports to us are as good as United States dollars, why not do everything we can to encourage imports from the United Kingdom instead of putting prohibitions on them? For the life of me I cannot see why a Canadian citizen should be denied the right to buy goods in non-dollar countries with which we have a balance of trade in our favour just because we cannot afford to buy them in dollar countries.

I know that the minister on several occasions said that the restrictions on United Kingdom imports or imports from non-dollar countries were more imaginary than real, and that while we were adopting a non-discrimination policy there were ways in which we could get around it. Personally I do not agree with that attitude. If we adopt a non-discrimination policy I think we should abide by it, both in letter and in spirit. But if we do not do that, then the thing to do is to take advantage of the section in the Geneva trade agreements which allows us, in an open and aboveboard manner, to adopt a policy of discrimination. As I said before, the situation which arises when we apply to countries with which we

have favourable trade balances the same principle as we do to countries with which we have unfavourable balances is to me a curious one, and is one which can only arise out of the government's non-discrimination policy.

During some of the debate on this measure some unwise critical remarks were made with regard to the United States. I do not think we need to make any criticism at all of the United States. If she wants to drive a hard bargain with us, that is her prerogative. I think the criticism should be directed at our own government for not presenting our case forcibly enough to make the United States government appreciate our position. I am anxious that we should maintain the good relations that now exist and have always existed between this country and our southern neighbour. Because of the existence of that good relationship, I am sure it is possible to get the United States government to see our position.

Let us consider the situation in the United States. Before the congress of that country now there is a measure to help European countries in the sterling area by means of a huge loan. The purpose of that loan is to rehabilitate Great Britain and the other European nations, and get them on their feet economically. The non-discrimination principle which prevents us from trading with those countries takes away with the one hand —in a small way, I admit—what they are trying to give with the other. So surely if our government put this situation realistically before the United States, I am satisfied that there would be no difficulty with regard to the question of non-discrimination.

As I said in my opening remarks, I realize that this measure is made necessary because of our adverse trade balance. I am also convinced that the trade balance can be remedied in only two ways, by restricting our imports and increasing our exports. Again I say that we cannot restrict our imports without treading on somebody's toes or hurting somebody. What we should have in mind is to hurt people as little as possible; instead of doing as we are doing, if the goods can be bought somewhere else, we should make that also as easy as possible. I hope the committee will accept this amendment, because so far as this group is concerned I think it is our major objection to the bill before us.

Mr. ABBOTT: I do not know whether any other hon. member wishes to speak on the amendment; if not, I have one or two facts which I should like to place before the committee.

The CHAIRMAN: The hon. member for Peace River.

Mr. LOW: I do not want to delay the committee for more than a minute or two, Mr. Chairman, but I thought I should say a word before the minister speaks. I have been giving some consideration to the amendment now before the committee. After weighing both sides of the question—and I admit that there are definitely two sides to it—I must say that I find myself more in favour of the amendment than I was when it was proposed the other night. As I say, I realize that there are two sides to the question and I have given consideration to the side which the minister has indicated in a number of his speeches with regard to the things that might make him fearful about having such an amendment passed. I think the minister indicated last week that action of the house in passing an amendment of this kind would possibly be looked upon by the United States as a breach of faith on Canada's part. They may do so, Mr. Chairman, but certainly not reasonably. The Geneva pact recognizes that where a nation finds itself with an adverse balance of trade, such as Canada now does, that nation may have to use the escape clause that is provided in the pact and restrict imports from all their creditor nations. Surely no fair-minded person or nation would regard as a breach of faith the action we are now proposing to take. If the authorities in the United States hold to the principle of non-discrimination and are favourable to the insertion of an escape clause for nations that have an unfavourable balance of trade, surely they expect us to use it if we get into that position. Likewise, I think the United States would not consider the amendment that is before the committee as a breach of faith, if we should carry it, particularly in the light of the fact that that great nation has never yet been seized with a sense of her own responsibility to balance her trade in the interests of world peace. I cannot believe that the United States would resort to retaliation, as has been suggested, if we took action to protect our dollar reserves and our trading position while at the same time we take perfectly legal action such as is envisioned in this amendment to protect our own people, and do it under the terms of the Geneva pact. No one can argue that it is not protection of our own people to swing some of the trade that is being lost, through restricting United States imports, to sterling countries from which we can get a certain quantity of the things which cannot come into Canada now under these restrictions.

At one stage in this debate the minister stated that the amount of business we could swing to sterling countries as a result of the

restriction on United States imports would be comparatively small. If that is so—and the minister nods his head—then it is one more good reason why it would not be looked upon as a breach of faith if we were to accept this amendment. In the light of the suggestion that the amount of business might be comparatively small, I do not see why the United States would be expected to retaliate against Canada by restricting exports from that country to Canada, including essentials, such as oil, steel, cotton and other products.

I am sure if the minister would assure the United States that the restrictions against her goods would be removed as quickly as Canada can get herself in a safe position, so far as trade is concerned, into a position where our dollar reserves were not in jeopardy, and would come clean with them, the United States would understand and certainly would not consider that, in passing this amendment, we are committing a breach of faith.

One further point before taking my seat, and it is this; we are going to have negotiations in future with the United States government. I believe it was a good thing to have the amendment offered in committee last week if for no other reason than to bring home to the people of the United States the fact that we take a serious view of this whole business. I should like to have it impressed upon those good folk down there, for whom I have the greatest respect, the obligation they take upon themselves when they assume leadership in the world trade. Something has to be done to bring home to the American people that they have an obligation to do things to balance their own trade, and thus to help lesser nations industrially, to balance theirs, so as to take care of their own people.

Whether or not the amendment is accepted, I contend that the salutary effect will be good, and particularly if a substantial portion of this House of Commons votes for it—as I propose to do. I believe such action would strengthen the hands of the minister in his future negotiations with that great nation to the south of us; and for that reason, along with many others, I propose to support the amendment.

Mr. CHURCH: Coming from Ontario I should like to call attention to the importance of Bill No. 3, to which an amendment has been offered by the hon. member for Kindersley. He has moved—

> That subsection 1 of section 3 of Bill No. 3 be amended by inserting after the word "Canada" in line nine on page one of the said bill the following words:
>
> "from any country requiring gold or currency of the United States of America in payment or settlement of their purchase price."

[Mr. Low.]

The subsection would then read:

> No person shall import or attempt to import into Canada from any country requiring gold or currency of the United States of America in payment or settlement of their purchase price any goods listed or of the classes described in schedules I, II or III.

If the section in the bill is followed it is good-bye to any trade with soft currency countries, including Great Britain, France, Italy, Holland, Belgium, Luxembourg and the rest of them.

I should like to make one or two comments about this bill, because thus far I have not taken part in the debate. I did not read the bill until a few days ago. In my view this bill takes us back to where we were years ago. When I asked about the Geneva charter on February 7, I was told nothing whatever about it. This whole thing came in November last like a bolt from the blue. Those people who sat at Geneva were free traders—and they assembled in a good place. What they have done in these pacts has caused disaster to both small and large business in Canada.

We are back to where we were in the days of Gladstone, when Great Britain was a free trading country, and when Liberals in this house were free traders. We find that the first schedule of the bill is the prohibitory schedule, while schedule II gives the quotas and schedule III the permits. Anyone who will look at Bill No 3 will see that it is based on the Geneva charter; and if we look into the definition of "charter" we find that the bill includes something which was never intended by the writers of the Oxford dictionary. According to the Oxford dictionary a charter was a grant from the sovereign or from a legislature. That definition was stretched at the time of the Atlantic charter to embrace the visionary hopes of the late President Roosevelt on behalf of the United States.

If we look at this bill, what do we find? I asked about it last February. A meeting was held at Geneva while parliament was in session here at Ottawa, but on February 7, the government said it did not know anything about it. The government has not yet been able to sell this program to the country, because both large and small businesses are affected. Some of them have been practically ruined by it. They want to import commodities such as fresh vegetables from the West Indies, but they are not permitted to do so. They say America would claim this is discriminatory. Mr. Churchill spoke about the matter yesterday, and his statement is reported by the press in this way:

> Turning to home affairs, Churchill attacked socialist planners who he said "keep the British

bulldog running around after his own tail till he is dizzy and then wonder that he cannot keep the wolf from the door."

That is what we are trying to do in Canada. We are trying to keep the wolf from the doors of large and small manufacturers. But we are lucky in this country to be permitted to breathe the fresh air without first having to get a permit under this bill.

I believe this has been overdone; the government of the day and the Liberal party for two generations on trade policies has done everything by fits and starts and nothing long. In the matter of trade, I can remember when the Canadian council of agriculture came here to Ottawa, in 1923, the first year the Drury government took office, and they said protection was an unmitigated evil and they would get a spade and dig up the last remnant of it in Canada. They claimed that the grain growing industry was not an east and west industry, but a north and south industry, to serve the United States rather than England, France, Italy, and the allied countries who were with us in the first war.

I can tell you this, that the government of the day has no mandate for this bill. Where do they get their mandate for everything that has been done to upset the whole fiscal and economic system of this country set up in Canada since confederation? Sir Wilfrid Laurier and Mr. Fielding were two of the founders of the preferential system, and it is too bad that that was dropped by the United States-Canada treaty in 1938. I was one who along with the Social Crediters opposed the Bretton Woods agreement and showed the folly of the American loan, because I saw then the disaster coming from Geneva last summer. I saw it coming back in 1945. I knew what was going to happen. In my address with respect to the Bretton Woods agreement I predicted that we would have the very state of affairs that has developed, and we could go back to the days of unrestricted reciprocity with the United States covering every article of trade and commerce and upsetting our whole fiscal system. Considering the natural resources and the raw materials of Britain it is strange to me that the mother country and the dominions did not stay together, in peace as in war. Unless they hang together in trade and commerce and defence and migration they are going to hang seperately, because no dominion can go it alone. We will find this out during the coming summer and fall if this bill passes.

This Bill No. 3 is no protection by any means whatever. What has happened since we came into this house? Before and during the last war there were nine or ten different forms of protection applied to the farming industry of this country. I admit that some were necessary. There were those in this house who said that protection was an unmitigated evil, yet during the war we gave the farmers seven or eight kinds of protection. In fact for years Canada paid them a bonus not to grow crops at all.

When I saw the war coming I spoke in the house and suggested to the Minister of Agriculture and the government and asked that storage reservoirs be built in the old country in which to store our grain. In January 1938 the British Medical Association said that hard grains and wheat could be stored scientifically below ground and kept for ten years. But they would not do that at all. They paid people not to grow crops; they had acreage bonuses and all that kind of thing, all by protectionist measures.

I take exception to this third section of the bill because it is not protection in any sense of the word. It ruins any chance of protection for the small storekeeper, the small importer of goods, the industrial worker and the farmer. It contains many discriminatory clauses. This Bill No. 3, section 3 and the three schedules, ruin any hope of the people in the soft currency countries of doing any export business with this country.

These are all discriminatory agreements. They go beyond our national policy. What is our national policy? Sir John A. Macdonald in 1878 laid it down and Sir Wilfrid Laurier and Mr. Fielding adopted it. They were the authors of preferential trade which was abrogated to the United States in 1938. Because of that we had soup kitchens all over the country. Our policy was to have our own markets for our own products and our own work for our own workmen. The United States pulled themselves up from the dark days when the commercial travellers from Great Britain went through their land selling goods. They are today the greatest industrial country in the world and they achieved that greatness by having the highest protection of any country. Now they want to extend the Hyde Park agreement which is not an agreement at all, which is simply a verbal agreement. I am opposed to the trade pacts made in Geneva. I am against the whole idea of multilateral trade agreements and the manner of putting through this bill.

No conference was held last January before the February Geneva meeting. New Zealand asked for a conference and so did the mother country and Australia, but what did Canada tell them? We had the reply, when I raised it in the house, that the government did not

intend to hold such a meeting. They sent Mr. Wilgress over there and he is down in Havana now at a trade conference of twenty-one countries. According to a dispatch published in the press last week he said in Havana that 800 amendments have been proposed to the Geneva charter, not one of which can be accepted because it is all signed, sealed and delivered by twenty-one countries; not a line of it can be changed.

By this Bill 3, clause 3, the various subsections of clause 3 and three schedules we are only holding a post mortem. We are just caretakers and undertakers. That is what we should turn ourselves into, because that is all the power we have over this particular bill. It has been signed, sealed and delivered by the twenty-one governments and by the permanent officials. The government of the day will have to take the responsibility.

As I say, there was no conference before Geneva. New Zealand, Australia and Great Britain wanted a conference. The United States should have been told that preferential trade was a family matter and would not be open for discussion at Geneva. If that had been done we would not have had the situation we have today.

By the Geneva pact the Liberal party has gone back on everything Sir Wilfrid Laurier did. What did he say in 1897 when he was first in the diamond jubilee procession over there? He said, "If you want our aid, invite us to your councils." We were invited in February, 1947, to the councils of Great Britain, Australia and New Zealand, as to Geneva, but we would not even attend them before Geneva. We are simply hanging all hope of preferential trade in the future on the sour apple tree with John Brown's body. The action of the Liberal party puts me in mind of the old song, "Rocked in the cradle of the deep, I lay me down in peace to sleep." That is what happened at Bretton Woods and Geneva; they were rocked in the cradle of the deep and they laid themselves down in peace to sleep. They did the same thing at Geneva.

I am not here to criticize the United States; it is a great land and what they did in the war was wonderful; but I think they would appreciate us more if we told them the truth, the whole truth and nothing but the truth about where these bargains are going to land this country.

Canadianism defeated continentalism at the polls in 1911. Canada's victory on the reciprocity issue should have cleared the way for the working out of a protectionist system that would protect the consumer against unjust prices just as truly as that system would protect the manufacturer against unjust competition. Canadianism has been perverted more and more into a system of taking care of the producer and leaving the consumer to take care of himself. The desire of the milling companies and the middlemen to inflate the price of their securities on the market is much more conspicuous than the desire of these milling companies to pay the farmer a fair price for wheat or to charge the consumer a fair price for flour. Greed on the part of manufacturers and Ottawa's failure to restrain their greed has weakened the whole principle of Canadianism in this country's trade and industry.

Someone mentioned the flag the other night in connection with this party. In 1922 I said that it would be better for the Conservative party to remain out of power under the union jack of Canadianism than to be returned to power under the white flag of unrestricted reciprocity or the yellow flag of free trade.

This Bill No. 3 is going back to the days of Gladstone and the old free trade way of doing business when we started up as a country. It is brought in under the guise of an emergency but it is going to be here for a long time. We are giving up all hope of ever restoring the preferential system of trade with the British empire. I am opposed to this internationalism and multilateral trade. I have opposed it before because it has brought this country only a minimum of trade as compared with preferences. True, we had a policy once of favoured-nation trade with twenty-eight countries, and that was a good system, although it encouraged trade with some countries only, not with the vast majority. National combinations can be more easily controlled from Ottawa than international combinations or cartels can be restrained or suppressed from Washington.

Away back in 1923, I brought up the question of a Canadian national coal policy which would have saved us millions of United States dollars. I brought it up almost every session. I also brought up the question of developing oil from the tar sands, and the question of asbestos. All our coal should be mined under the British flag, from Wales, the maritimes and Alberta. In 1913, 1914 and 1915 we had ships coming into Toronto harbour loaded with coal from Swansea, Wales. They had come all the way across the ocean and up the St. Lawrence and docked in Ashbridge's bay, owned by Baldwin's, with which the late Stanley Baldwin was connected. That just shows what can be done. Ten years later

millions of tons of coal were brought in under that policy from the same three places, and we could have ten times as much if only we solved the transportation problem by water and rail and all rail.

I came across an article today proposing to stop the flow of our minerals in their raw state to the United States, to be manufactured there into finished products. The Hon. T. A. Crerar in an address to the Canadian Club at Hamilton said that Canada was over-industrialized. I pointed out that Canada's yearly imports of products from the United States which under a proper policy could be bought in Canada amounted to $400 million, and showed that $9,000,000 worth of raw asbestos exported from the province of Quebec is shaped and fashioned by United States hands into a finished product worth $60,000,000. Think what it would mean if that work were done in our own country. I also pointed out that in processing this asbestos, 15,000 United States citizens were employed, receiving wages of $25,000,000 per annum and supporting a population across the line of 75,000. My address was commented upon in an editorial written by John R. Robinson, a great editor, in the Toronto *Evening Telegram* of May 14, 1924. I also pointed out that the number of workers in the United States employed in the manufacture of exports of raw materials from Canada was 120,000, and that the United States population supported by the sale of these exports was at least 700,000. Think of what such a policy would mean today when we are short of United States dollars. I believe the time has come when we should raise this issue. We are going to have trouble in respect to trade with the Argentine. Agreements have been made for the purchase by Britain of Argentine cattle and food and grains. We should have stayed with preferences to the mother country and the sterling area and then we should not have had all this trouble. Although things may look dark in Great Britain, she is not going to be crippled for ever, and we should do everything we can to build up our trade with her.

I am going to vote against the Geneva agreements. I do not believe in them. They upset the whole economic policy of this country since confederation and will cause wide unemployment. They are not in the interests of Canada, not in the interests of our farmers, or industrial workers, not in the interests of the mother country, and not in the interests of the empire. We should stick to the British preferential system which did so much for us after the dark days after the first world war. This Geneva business means the ruination of this country and will lead to widespread unemployment here. The government of the day should have an election on this issue. They have no mandate from the people of this country to overthrow our whole traditional policy. This country is heading for disaster the moment we throw overboard the trade policy we have followed since confederation.

Mr. STUART (Charlotte): Mr. Chairman, I assure you my remarks will be brief; but after listening to the debate I did feel that I should express the views of one from the maritime provinces. During the debate we have heard a great deal about trade between the United States and Canada. I am sure that if some hon. members who have taken part in the debate had lived and were living in the maritime provinces they would take a different attitude.

It is all right to talk about trade in the sterling areas when you have articles that can be traded in those areas; but when you have a perishable article it is difficult to trade in other countries. Figures were put on the record today by the Minister of Labour showing that last year in Charlotte county the sardine catch amounted to almost two million cases. These were caught in the southern part of Charlotte county. Nearly a million and a half cases were sold in the United States. Those that were canned in Canada were to a great extent exported; but I want to point out to the committee that down where I come from the people will resent any measure or regulation that interferes with trade between the United States and Canada.

During the discussion I have also heard remarks such as the one we heard away back in 1911, "no truck or trade with the Yankees". When you give expression to those views in the maritime provinces you find a people there who take a very different view, and I believe the same applies all over Canada. Another thing that strikes me is that on many occasions in this country we forget too quickly. In listening to the discussion I often wondered if we ever thought back to the last war. I am thinking particularly of the canning industry. I realize that I talk mostly about fish, but I am once more thinking of the canning industry. During the war, from 1940 to 1945, if it had not been for the help of our southern neighbours, the canning industry in Charlotte county, and in fact in the whole of the maritime provinces, would have been closed. We depended one hundred per cent on our United States friends for tin plate. I am sure hon. members realize that during the war tin plate was in very short supply. We had none at all in Canada. In the canning industry

we did not lose a single day on account of a shortage of tin plate, thanks to our United States friends to the south.

Edible oils are used extensively in the sardine industry; in fact it is utterly impossible to carry on the industry without them. There again we depended one hundred per cent on our United States friends. Prior to the war we imported cotton seed oil from Great Britain. During the war the only thing available in the way of edible oil for canning purposes was soy bean oil from the United States. Not one single day was lost in Charlotte county on account of a shortage of edible oil.

When we are speaking of our neighbours to the south there is one other thing we should keep in mind. During the period of the war they were supplying us with gasoline. The rations that the people of this country were given compared favourably with and in some cases were better than those given to their own citizens in the United States.

When mention is made of interference or a suggestion of interference with the trade over that border I say that it would not meet with the approval of the people of the maritime provinces. I for one am firmly convinced that the freer goods move over that border both ways the greater the prosperity in the maritime provinces, and I shall oppose any measure, any regulation which in any way interferes with the traffic we have enjoyed for years and years.

In closing I would ask hon. members to give this matter very serious thought. As I have explained to hon. gentlemen, down where I live we have a perishable article to dispose of. It must go to the United States market. The United States fishermen in Maine have for years and years tried to convince the powers that be in Washington that Canadian fish and fish products should not go into the United States in competition with their own. Regardless of the arguments put forward by these fishermen we still enjoy that market, and without it today the fishing industry, not only in my own county of Charlotte but in the maritime provinces as a whole, would be practically worthless.

Our lobster industry last year was fairly prosperous. I should like once more to put the figures on record. One company alone in a little town where I live exported $4,000,000 worth of lobsters to the United States market in 1945. Less than four per cent of that amount were sold in Canada. That will give the committee some idea of what the United States markets mean to the fishermen in the maritime provinces. I would therefore ask hon. members to think carefully before supporting this measure, because the people down in my part of the country will very much resent any regulation which will in any way interfere with that international trade.

Mr. PROBE: I listened with interest to the hon. member for Charlotte, but when he concluded I was not sure whether his argument was meant to oppose the amendment proposed by the hon. member for Kindersley or to oppose the main motion.

Mr. STUART (Charlotte): I think I made myself quite clear.

Mr. BENTLEY: The hon. member said "this measure".

Mr. PROBE: The hon. member is opposing the amendment.

Mr. STUART (Charlotte): Absolutely.

Mr. PROBE: I think possibly he is a bit inconsistent in this regard. We are all sold on the need for having trade on a two-way street. That is perhaps the one reason why the federal government has got itself into the currency jam which requires the introduction of a bill such as Bill No. 3.

Mr. STUART (Charlotte): May I ask a question?

Mr. PROBE: Yes, if it is relevant.

Mr. STUART (Charlotte): Does the hon. member believe that the shipment from Canada to Britain of goods which could have been sold to the United States for cash has had anything to do with the dollar situation in Canada today?

Mr. PROBE: The best way to answer the question is this: We cannot get the currency of the United States through the form which our trade has taken in past years. With the exception of a few years during the war the United States have sold on this market more goods than we have been able to supply them in return; and it is to correct that deficiency, I presume, that the Minister of Finance has introduced this measure and the others which are to follow.

The hon. member for Charlotte of course is quite correct in his argument, and I agree with him, except that he does not carry it to its logical conclusion. Undoubtedly we want to sell to the United States as much as they sell to us. Apparently that is the only way in which international trade can be carried on at the present time, because the British link on which we relied before the war is broken for the time being. That, of

course, is the crux of the whole situation, and I think the government would be first to admit that it is true.

In this bill the Minister of Finance has presented three schedules. Schedule I includes lists of goods which are under complete import ban; schedule II includes goods which are permitted to be imported on a quota basis related to the pre-war imports from the countries of origin; schedule III allows all imports by permit only.

The argument of the Minister of Finance in turning down this amendment—because I presume that is what the government proposes to do, or it would have accepted the amendment long ago—is that the goods involved in the three schedules, goods which are under import restriction from the United States and from the soft currency countries, will give us imported articles from the soft currency countries in excess of what we would get from the United States.

The minister gave us certain figures when he introduced the bill, but the unfortunate thing is that these figures are not complete. I would ask the minister, before he turns down this amendment, to give us an assurance that before the bill is finally concluded, before we have considered the individual items in the three schedules, he will prepare a concrete table enumerating the items in the three schedules and indicating what will be the dollar effect of his ban in the form it is taking in relation to United States imports and from the point of view of future imports from other countries. He has indicated that the various items, for example, in schedule II which are subject to quota based on the 1939 import experience will be less unfavourable to the soft currency countries than would appear on the surface. I think it is only fair that the minister should give us a detailed table before the bill is concluded. That is what I would ask at the present time.

Mr. ABBOTT: When we come to the consideration of the schedules I shall furnish such data as can be made available showing the extent to which the prohibitions, quotas and permits would affect imports from the hard and soft currency countries.

Mr. BENTLEY: When the minister is preparing that table will it be possible, in the matter of schedule I and the quotas of schedule II, to set opposite those items which ones can be imported from the soft currency countries, which we could have if they were not banned or under quota?

Mr. ABBOTT: I will see what accurate data I can give on that. In my speech introducing the bill, particularly at pages 333 and 334 of *Hansard,* there is a good deal of information on that subject, and I will see what additional information I can give.

A good many hon. gentlemen have expressed concern that the exchange conservation measures which the government has introduced, and in particular this bill, will have an adverse effect on British exports to Canada, and on several occasions I have expressed the belief that the reverse will be the case.

In the first place, I direct the attention of the committee to the statistics which have now become available for December, 1947, that is, the first full month during which the program was in effect. In December, 1947, the total Canadian imports from the United Kingdom were valued at $20,254,000, as compared with $11,664,000 the preceding December. The increase was about 73 per cent. I might add that the December, 1947, figure is higher than that for any previous month in the year and, I am informed, in no other post-war month have commercial imports, exclusive of Canadian war materials returned from the United Kingdom, been so large.

I do not believe the fears that this conservation program will injure our trade with Britain are well founded. It is evident, I think, that they are not based on experience to date, and I am confident that future figures will emphatically dispel that fear.

Mr. GREEN: Is it not an obvious fact that if these restrictions and quotas were not in effect, imports from Great Britain and the other non-dollar countries would have been even larger than the figures the minister has given?

Mr. ABBOTT: No. They would have been smaller, because prohibitions and quotas against the dollar areas are so strong that they enabled British goods to come in during that month and will continue to allow British goods to come in, which otherwise would have competition from United States products, textiles in particular. The competition would have been such that it would have excluded British products.

Mr. GREEN: I said that if the prohibition against goods from Britain had not been in effect there would have been more imports from Britain.

Mr. ABBOTT: I cannot agree with my hon. friend for the reason I have given, that the effect of the quota system was such as to enable Britain to export to us in the month of December, and she is continuing to export to us, goods she would not have been able to send on a competitive basis with the United States; and the comparatively minor prohibitions

have been very much more than offset by these added imports. That is assertion, I know, but it is based on information. Let me finish this statement and I will answer any further questions later.

Mr. GREEN: The minister missed the point entirely. The point was that if the prohibitions had been in effect against the United States and other dollar countries but not against Britain and other soft currency countries, then the imports from those countries would have been greater, of necessity, than the figures the minister gave.

Mr. ABBOTT: That is true, no doubt, if the quotas had been on a different basis. But one must take the program as a whole. You cannot take schedule I and ignore schedules II and III. The point is that the net effect of schedules I and II is to stimulate trade from the United Kingdom and the soft currency country areas as against the dollar area. Nearly all consumer products which Britain is in a position to send in volume are listed in schedule II and accordingly, as I said before, British exporters are afforded an opportunity and a strong incentive to step in and fill the gap which results from quota restrictions on competitive imports from dollar countries. The quotas under schedule II are non-discriminatory in form. But of course they take pre-war imports as the base, and by assisting Britain to regain her pre-war share of the import market they are in fact of tremendous benefit to her. The complete prohibitions of schedule I did affect British trade but only to a slight extent. As I said on January 30, the prohibited list then covered only about two and a quarter millions of United Kingdom imports, and even this figure has since been reduced to some extent by the amendments which I have subsequently announced. The amount is less than 1½ per cent of the total imports from that country to Canada.

Hon. members will note that in respect of textile products, which is the most important quota category, imports from schedule countries, namely, the hard currency countries, are being cut down from $130,000,000 to $40,000,000. On the other hand, the non-schedule countries, primarily the United Kingdom, are given an incentive to increase their exports to this country from $52,000,000 to $120,000,000. Similar opportunities on a smaller scale are afforded other British goods by quotas applicable to such things as prepared food, leather products and miscellaneous products including glassware, cutlery, sporting goods and toys. I can only repeat that I am convinced that the effect of this bill will be to help Britain to trade with Canada instead of injuring her under existing circumstances.

Amendment negatived: yeas, 42; nays, 49.

Mr. WHITE (Middlesex East): On section 3 of this bill I want to follow up something I took up early in the session in connection with the importation of fruits and vegetables. While the hon. member for Charlotte was speaking I was thinking that, while he talked about the freer trade with the United States as the Liberal policy, never in the history of this country have tariffs been so high as they are at the present moment, and more are proposed. It is a case of talking in one way and acting in another. The Minister of Agriculture has now admitted that the agricultural policy during the war years and since, when our farmers were denied the United States market for their products, was not a marketing policy on the part of the government but a price control policy, and the farmers were the victims of it. In some of these schedules that are being introduced the farmers are again becoming the victims of that policy. It is not a policy of developing the natural resources of this country. We have thousands and thousands of idle acres that could be growing the food which we import from the United States, but who dares to go into that business, because nobody knows when this particular dollar conservation program may end and unrestricted importation of food from the United States will ruin those men who have gone into that business.

We have an immigration policy, if it can be called one, under which we are bringing in people from Europe, many of whom are skilled in the production of fruits and vegetables. I am thinking particularly of those who come from Holland. They could very well turn their skill to the production of many of the things we have been importing from the United States. We could establish them on land. But what is the use? In a matter of months, the minister said, the policy will be over. We should arrive at something definite. We cannot be going in two directions at once. We should have a policy under which our farmers can go ahead, plan their future, and know whether they can expand their operations or not.

While this committee in investigating prices I suppose mention of that matter should not be made, but I just wish to refer back to the thirties. A great deal has been heard here about cheap food. Back in the thirties we had cheap food; eggs were eight cents a dozen; wheat was thirty-five to sixty cents a bushel;

milk for cheese purposes ran from fifty-six to sixty cents. What happened? Thousands of people were walking the streets looking for jobs. Why? Because farmers could not purchase the things which are manufactured in our cities. So let us not enter into some plan that will bring about cheap food. The day we have cheap food we shall have idle men.

I would say that this policy is a two-faced one. It is designed to discourage United States trade, so the minister says; and then he says it is designed for freer trade. I wonder what will happen. One minister says it is a long-term program and the next minister says it is a short-term plan. What are we to believe? The minister has said that he will not protect Canadian producers. He also said that the 25 per cent excise tax is designed to protect United States manufacturers who were exporting to this country. I wonder just whom the cabinet represents. Does it represent United States producers of the goods which we have been importing, or does it represent United States farmers who have been sending in thousands of carloads of farm produce to an agricultural country. If I had known different, I would have thought I was listening to Clinton Anderson, the Secretary of Agriculture in the United States or Averell Harriman, Secretary of Commerce in the United States, instead of our own cabinet minister.

Mr. FRASER: You likely were.

Mr. WHITE (Middlesex East): Canadian growers are not asking for something impossible. They are just asking for an opportunity to grow and to market the things they can produce in this country. Let me give an illustration of what is going on. Here in my hand I have two letters sent out by organizations which are dealing with fruits and vegetables. One is issued by the Ontario food council and is signed by M. M. Robinson as manager. This is special newsletter 5B, dated May 23, 1947, and is dealing with the importation of lettuce. It was designed to advise growers and importers with regard to the situation as far as that one particular product was concerned. It says:

Lettuce available June 2.

We are now informed, after a careful check, that head lettuce will be ready for harvest in the Leamington area June 2 with some supplies available the end of next week.

Favourable growing conditions during the last few days have brought some early vegetables on with a rush. Conditions during the past week for growth could not have been better and the original expectation that lettuce would not be available until June 9 has had to be revised.

There is a lot of head lettuce in the Leamington area and generally it is of excellent quality so far. Actually, the weather could not be better for lettuce and cabbage.

Please co-operate by calling off imported lettuce deal as quickly as possible.

Actually what happened after this information had gone out was that importers brought in as large a quantity as it was possible to buy of head lettuce and stored it, and practically ruined the Canadian growers who had passed out this information that it would be available so that they could have protection for the time it was necessary to have it. That is one of the results of "kindly co-operate". The government did not. The grower did.

I have here also a letter from the Canadian horticultural council, which quotes the Washington food report issued by the American institute of food distribution in New York city. This is a quotation from what was stated by the American institute of food distribution, in New York city. It is headed "Tariff Gossip", and states:

Exports of dried fruits, fresh and canned fruits and vegetables, packaged cereals and many grocery specialties will be increased by tariff concessions secured from 17 nations with whom we are now bargaining.

Canada will permit us to make larger shipments of fresh fruits and vegetables at lower duties, except during approximately two months of Canadian harvesting. Canada will also open the way to receive larger quantities of canned fruits and vegetables from us which it does not pack itself. It will probably concede lower duties on dried fruits which were kept fairly high under the 1939 agreement because of the empire preference.

Now, with the Geneva agreement, those preferences will be done away with, and we find ourselves in a difficult position. Would labour or industry permit such tactics to be employed to undersell Canadian manufacturers and the products of Canadian labour? They would not submit for one moment to the importation from the United States of large quantities of goods produced here in Canada by Canadian industry. Yet, that is done, so far as the farmer is concerned, and they get away with it.

Bill No. 3 has been referred to as a program, but it is not a program at all. It is an expedient. It is a hoax without faith, and without vision. I say to the committee that you cannot be a great nation on a carload of lettuce. We hear a howl from the cities for these greens. This country was built up on pork and beans, and I am not a poet either. We have the climate and the people to produce these things.

I have mentioned immigration. We could put these immigrants to work. But we must

have some assurance that once they make some investment, and make plans, they will be able to reap some profit from those plans.

The minister says that this program is non-discriminatory, so far as other nations are concerned; but it is certainly discriminatory so far as Canadians are concerned. In history we make reference to B.C. and A.D. I expect very shortly we shall be referring to A.A.—After Abbott.

If the minister were a fruit and vegetable grower in this country, what would he do right now?

Mr. ABBOTT: Shovel snow.

Mr. WHITE (Middlesex East): I should like to say a word or two about the Geneva treaties as they apply to vegetable and fruit growers. They are the victims of a squeeze play. Certain fruits and vegetables are allowed in for a certain time; but under the Geneva treaties the length of time United States produce is kept out, because of our production in harvest time, has been narrowed. One vegetable which was prohibited previously for fifty-two weeks is prohibited now for only ten weeks. In other words, the Canadian grower is penalized for forty-two weeks.

In this connection let me refer specifically to a few items. First, cranberries, which were protected fifty-two weeks under the old plan, and with a tariff of not less than 1½ cents are now protected for only twelve weeks with a tariff of three-quarters of a cent. Many other tariffs have been reduced. Green peas which formerly were protected for fourteen weeks with a duty of five cents are protected now for only eight weeks, with the duty reduced to 3½ cents. In respect of onions Canadian producers have lost protection for twelve weeks. Rhubarb was formerly protected for fifty-two weeks with a tariff of 1½ cents, whereas now the time has been reduced to ten weeks, and the tariff to one-half cent. Tomatoes were protected for fifty-two weeks; that is now reduced to thirty-two weeks.

Therefore our farmers are the victims of a squeeze play, particularly in southwestern Ontario. We have two huge United States markets in Buffalo and Detroit. When the United States growers see that a surplus is piling up in cities other than the two I have mentioned they will consign the surplus to Detroit and Buffalo. Canadian truckers go over there, buy that distress produce, bring it into the Canadian market and lick the Canadian farmer. That has been going on for years.

The government should take this matter seriously. They are in power because of the confidence of the people, and I say they are losing the confidence of the Canadian farmer. Farmers have been given no guidance as to what they should do, either in the next year or in the next five years. The month of March is just around the corner, and many of the growers about whom I have been speaking must make their plans in March and early April. I am asking that guidance be given to those producers as soon as possible, so that they may have products to sell—produced by Canadians and for Canadians and to save United States dollars.

Mr. SKEY: I rise to express what perhaps might be described as a word of admonition. In a recent exchange the minister asked me to make some recommendations. I made two, one that we should have a 90-cent dollar, and, second, that the minister should consult those skilled in finance. Both of those suggestions were rejected. Finally, in a gentle fashion, the minister admitted that he would keep an open mind, and that he was not prepared to say that his was the only way of solving this problem.

The minister was in Toronto last Friday and spoke to the Rotary club, at which time he is reported as having stated that the depreciation of the Canadian dollar would have an immediate and widespread effect on the basic cost of living in Canada.

Mr. ABBOTT: I do not like to interrupt my hon. friend, but I must rise to a point of order, due to the fact that I did it in respect of someone else in this debate. I suggest that it is not in order to discuss devaluation when section 3 is before the committee.

Mr. SKEY: I have very little to say today. Perhaps if I looked through the section I could find something to which my observations would apply. However, if the minister will be patient for a moment I will complete what I have to say.

The CHAIRMAN: Perhaps the minister will permit the hon. member to proceed at this time, but I hope that other members will not take advantage of his generosity. I trust that other hon. members will stay strictly within the rules.

Mr. SKEY: I would not continue this discussion except that we have been on this subject for so long. I think it is unfair for the minister to state just one side of the question. There are at least five other factors which have increased the cost of living far more than the depreciation of the Canadian dollar by ten per cent would have done. There is the present inflation which has caused price rises; there are the reckless loans which have

been referred to already in the United States house of representatives; there is the unchecked government spending; there is the 25 per cent tax, and there are the restrictions which invariably cause rises in prices. To tell the Canadian businessman that a ten per cent devaluation would cause these price rises is most unfair. The government are getting into trouble. They are making political issue out of this thing and some day they will regret it.

Mr. MACDONNELL (Muskoka-Ontario): I should like to deal with something which I am sure the minister will agree is within the terms of the subsection. Although we made a beginning with this the other night, we did not get very far. I want to talk about permits because, after all, they constitute the very root of this bill. The minister's colleague spoke of this the other night. What I complain about is that the minister of reconstruction seems to consider this from the point of view that it is entirely natural and, no doubt in his mind, a desirable thing that the ordinary life of the community should be invaded. Let me reassure the minister that I am not going to repeat my speech on arbitrary power. Nevertheless I want to reiterate that the business life of the country is being invaded to an extent which six months, or let us say nine months before the minister began to consider this, he probably would have thought was just as intolerable as I hope he does still.

The minister of reconstruction talks about this as if it were the most natural thing in the world. It seems to me that this question of permits must be considered rather particularly. This is a thing which we all deplore. I say "all" because I am sure that all of us do deplore this action which the government has considered necessary and which, under the circumstances, I suppose the rest of us have to admit is necessary to some minor extent. However, I believe that this committee and the people of this country are entitled to know just to what extent it is necessary. What I complain about is the way in which the minister of reconstruction talks blithely about permits and then very optimistically goes on to talk about the huge exports to the United States which he is arranging. The minister referred the other night to aluminum exports, and then the hon. member for Winnipeg North Centre, as reported on page 1162 of *Hansard*, said:

> When shall we get that kind of discussion?

To which the minister replied:

> I do not think you will ever get it on this bill.

I think the minister had better leave hon. members to make up their own minds as to what they are going to decide on this bill. I wish he would come here to listen to these things. Not that I think they would make any impression on him, but I should like to know that he had at least heard me say them. We got to the point where the hon. member for Winnipeg North Centre said:

> When shall we get that kind of discussion?

To which the minister replied:

> I do not think you will ever get it on this bill.

Mr. GRAYDON: You must have a permit to have a discussion.

Mr. MACDONNELL (Muskoka-Ontario): Yes. I have no desire to press this point, but in passing may I say it is just an illustration of the kind of thing to which I am objecting. Here we have a man who has become so used to the exercise of power in wartime that he thinks he is going to do exactly the same thing in peacetime.

An hon. MEMBER: He is doing it.

Mr. MACDONNELL (Muskoka-Ontario): He is doing it; that is right. I think we need to have a real discussion on this permit business. I know the Minister of Finance would like to get this through and I do not regard myself as an obstructor, but I want to tell him that we are going to stay here until a different attitude is adopted by the minister of reconstruction from that which he adopted the other night. The other night his attitude was: treat them rough and tell them nothing. He is not going to get away with that. He should be ready to come here and treat us as serious people who are entitled to get what information is properly available. That is all we are asking for. Unless that is done, we shall be here for a long time on section 3.

I am not the only one on this side who feels like that. Incidentally, the information which the minister of reconstruction has given us can be divided into two categories. First, there is that which he will not give and, second, there is that which he gives but which appears to be nearly all wrong. He gave me some information on Thursday evening about the motorcar industry. Since then I have been trying to check it and, as far as I have been able to get along with it I find that it is all wrong.

Mr. ABBOTT: My colleague the Minister of Trade and Commerce is not here because I think he anticipated that the main discussion on this section of the bill would come on schedule III. I am sure that when that schedule is called he will be here ready to give such information as he has and to answer

any charges which any hon. member may level against him. It is very difficult for both the Minister of Trade and Commerce and myself, or for all ministers to be in the house at the same time. Hon. gentlemen opposite know that there are many duties devolving on a minister. I think, in fairness to my colleague, it should be said that he did not expect that schedule 3 would be discussed this afternoon, and it is that schedule which deals with permits. There will be a full opportunity on schedule 3 to deal with permits.

Mr. MACDONNELL (Muskoka-Ontario): My point is that if we deal with this permit matter and it is behind us, then when that time comes we shall find that we might just as well have saved a lot of breath on schedule 3. It will be just good, clean fun. I hope the minister of reconstruction will be here shortly because I think there are some others who want to ask questions.

The minister also said that he was not getting very far with his regulations, but apparently he had some with regard to the automobile industry. He said that he would be glad to get them and place them on *Hansard*. He said he had sent for them. In deference to the minister who is here, it seems to me that the fact that we were in the midst of this discussion—we were diverted by the amendment—should make it necessary for the minister of reconstruction to have been here. That is what I want to say at the moment. It is only an intermission as far as I am concerned because, when the minister is here, I want to question him about the information he gave us and which, as far as I can make out, is all wrong.

Mr. SMITH (Calgary West): I am in exactly the same position. I intend to withhold what I have to say, but in order that he may be appraised of what I want to ask him may I say now that it can be found on pages 1164 and 1165 of *Hansard*. I am hoping the Minister of Trade and Commerce and the minister in charge of the bill can both be here, because I am inclined to think they will need a little collaboration in order to answer some of the questions I intend to ask.

May I say I appreciate the difficulties in the way of a minister being here. I was greatly amused the other day, although it was only for about a minute and a half, when I noticed that the only person on the front benches was the hon. member for Cartier. I did not know he had been designated to lead the government.

[Mr. Abbott.]

The CHAIRMAN: It occurs to me that the committee might desire to allow several sections to stand until the Minister of Trade and Commerce is here.

Mr. ABBOTT: I do not know that the formal clauses of the bill concern the Minister of Trade and Commerce so much as the details of schedule III. I shall try to be in position to answer all questions with respect to articles prohibited under schedule I and the articles under quota under schedule II. Those are administered by my department. However, permits which are issued for so-called capital goods are issued under schedule III, and that is the section of the bill for which my colleague, the Minister of Trade and Commerce, is responsible. I shall try to answer such questions as may be asked about administrative details, but there may be some questions which might be asked under this section which would have to be held over until he is here.

Mr. FULTON: I do not see how we can confine ourselves to schedule II, because section 5 deals with goods in schedules II and III.

Mr. ABBOTT: Possibly when we arrive at section 5 we can have paragraph (c) stand.

Mr. GREEN: Section 3 refers to all three schedules, and therefore to the portion of the bill which is under the Minister of Trade and Commerce. He should be here. It is his business to be here. We cannot go on now because the Minister of Trade and Commerce is not here.

Mr. ABBOTT: I am asking for the co-operation of the committee. My colleague has pretty heavy responsibilities along with some of the rest of us; and the detailed information, if the committee wishes to co-operate, can quite properly be given under schedule III. The essence of this section is that no goods shall be admitted into Canada which are listed in schedules I, II or III, except under permit. The permit under schedule II is with respect to the quota. In the case of prohibited goods the only exception is the particular hardship section, and under schedule III comes the individual or group permit. I am simply suggesting that if the committee wants to discuss details and to know how many motorcars or printing presses or other items of capital expenditure are to be allowed entry into the country we can properly deal with that under schedule III. But to use the standard phrase, I am in the hands of the committee.

Mr. GREEN: The minister is completely wrong in that statement, because when we get

to the schedules we can deal only with the particular items in the schedule before us and we cannot have a general discussion. The Minister of Finance himself should be able to answer questions with regard to automobiles, because they come in under quotas under schedule II and formerly were under schedule I.

Mr. ABBOTT: No, they are under schedule III.

Mr. GREEN: Formerly they were under schedule I, which is the total prohibition schedule. The minister should be able to answer these questions himself. It is not the responsibility of the opposition, of course, to have the Minister of Trade and Commerce here. Nevertheless he should be here to explain the sections of the bill.

Mr. ABBOTT: My hon. friend is very ready to make statements that so-and-so and such-and-such is the case, but if he will look at page 27 of the bill he will find that, under schedule III, item 438a covers automobiles and motor vehicles of all kinds, electric trackless trolley buses and chassis for all these.

Mr. MACDONNELL (Muskoka-Ontario): We are not discussing this or that detail but the basis on which the permits are to be issued. The minister has told us that regulations were to be made, but he has not completed them yet, with the exception of the motorcar industry. I am not going to make a speech on arbitrary power but, with all due deference, I think the Minister of Finance in his conciliatory manner is trying to lull us into a situation where we shall be talking about these permits as if they were ordinary things, whereas they are, we hope, extraordinary and temporary things, and we are entitled to have a good look at them. However, just to show that we are ready to co-operate, there is a further point in paragraph (a) which I think the minister might be prepared to discuss in the absence of the other minister. I would also draw attention to the last line but one of section 3 (1), which says that this omnipotent minister may, among other things, "issue, vary or revoke permits". I raise this question only on the understanding that we can come back to this question of permits and discuss it in its broad implications. I am not saying whether or not this power of revocation is necessary. Maybe it is, but there should not be a wide-open power to revoke just according to how the minister happens to feel. There should be some qualification on this power.

Mr. ABBOTT: My hon. friend is quite right when he says that the committee are entitled to ask questions on these sections and to know the conditions under which permits are to be issued, whether under schedule I, II or III, but I do not anticipate that we shall pass this section immediately and the questions might stand until this evening when no doubt it will be possible for my colleague the Minister of Trade and Commerce to be here. As to the use of the words "vary, or revoke," that language is taken from the Export-Import Act, which is now in force. It is more or less standard legal language.

Mr. MACDONNELL (Muskoka-Ontario): Two wrongs do not make a right.

Mr. ABBOTT: It is pointed out to me that permits under schedule II take the form of quotas, and it is essential under that schedule to have this power.

Mr. MACDONNELL (Muskoka-Ontario): I would have thought that the circumstances there were quite different. I could see more justification for revocation there than here.

Mr. FULTON: This discussion seems to me to bring clearly to the fore the fact that we are apt to get more and more into this kind of situation if more and more portfolios are to be added to one minister. I am glad to see that the Minister of Trade and Commerce has just come in. Before we deal with the general question of permits and their administration, I notice that in section 3 the word "minister" is used for the first time, and it is not laid down in the bill what "minister" means, or at least I have not been able to find it.

Mr. GREEN: That is provided in section 6.

Mr. ABBOTT: Section 6(2).

Mr. FULTON: We shall have to look to orders in council to find out what minister is in charge of what.

There is another point I wanted cleared up. I take it that the whole of this program is being administered under P.C. 4678. Has the Minister of Trade and Commerce issued any permits yet? Or have all permits been issued by the Minister of Finance, who is the minister responsible for foreign exchange control. How is that being worked out?

Mr. ABBOTT: Permits under schedule II are issued under the direction of myself. Permits, if any, under schedule III, or an order in council equivalent, would be issued by the Minister of Trade and Commerce, who will be able to answer how many permits have been issued. I must correct myself. The present

situation is that permits are issued under the Foreign Exchange Control Act and, since the responsibility for that act is by its terms vested in myself, permits under schedule II are issued by the foreign exchange control board on my authorization after consultation with the Minister of Trade and Commerce, to maintain the proper legal form. But, in practice, responsibility for the administration of that rests with the Minister of Trade and Commerce, who will have the sole responsibility when this bill becomes law.

Mr. FULTON: There must be consultation under the present P.C. 4678.

Mr. ABBOTT: Yes.

Mr. FULTON: Then the Minister of Trade and Commerce should be in a position to tell us what regulations he has laid down, if only for his own guidance, which will apply in the administration of the act in the future. He has appeared to be reluctant to tell us what the regulations are.

Mr. HOWE: Just a minute; prove your statement.

Mr. FULTON: Well, I refer to the discussion which took place last Thursday night.

Mr. MACDONNELL (Muskoka-Ontario): Surely he would not deny that.

Mr. FULTON: The hon. member for Muskoka-Ontario has already referred to it and the minister will find it on *Hansard* tomorrow. He told the hon. member for Winnipeg North Centre, "We will not have any discussion of that type on this bill."

Mr. HOWE: No.

Mr. KNOWLES: May I interrupt for just a moment? That is the wording that appears in the daily edition of *Hansard*—never any discussion of it on this bill. The newspaper reports say the minister said that we would never get any discussion on this matter.

Mr. GREEN: That is what he did say.

Mr. JACKMAN: *Hansard* is changed too much.

Mr. FULTON: What we want at the moment is to find out what regulations the minister follows in the issuing of these permits; what regulations he has laid down as to the conditions under which permits will be issued.

Mr. HOWE: Actually, permits for the importation of capital goods are not required at the present time; they will be required after March 1 on certain commodities. Progressively thereafter, permits for use in clearing through customs will be required to an increasing extent. We are now issuing project approvals. The plan there is to screen the project for unnecessary United States dollar expenditures, then to determine the value to the Canadian economy as far as dollar exchange is concerned, and either to grant or to refuse the project approval, depending on whether or not the project is helpful to the exchange situation. A good many projects have been disapproved; others have been approved, and others are approved, subject to screening.

Hon. members will appreciate that, once a project is approved, the permits required for the project to the extent authorized will issue automatically. Certain permits have been approved to be used at such time as they are required; for example, for off-the-road motor vehicles, motor vehicles used in logging, in mining, and certain other permits of that type are being issued. At the moment there is no requirement under the Capital Goods Act, because the first order in council making effective part III of this act becomes effective only on March 1.

Mr. GREEN: What does the minister mean by the "Capital Goods Act"?

Mr. HOWE: Capital goods schedule, schedule III of this bill.

Mr. GRAYDON: May I ask the minister what he means by "screening"?

Mr. FULTON: The only criterion there is at the moment with regard to the granting of permits under schedule III is the minister's own personal decision as to whether or not the project is one which he should approve. I am correct in this assertion, am I not? There will be no general regulation describing the type of project for which a permit may be sought, or is the decision to be reserved personally to the minister without prior indication as to the type of project which might be approved?

Mr. HOWE: The type of project has been generally indicated by statements that have been issued from time to time. The act does provide discretion to the minister as to the type of project that can be approved. There is really no other way to determine which projects are desirable or otherwise. If a law could be passed that would fit every situation that would be very well indeed. Before the automobile schedules were issued, it was necessary to discuss the situation with every group of manufacturer and manufacturers of parts,

to make up a formula to fit their particular industry, and to make sure that we were not putting Canadians out of work.

Mr. FULTON: Perhaps I can point out that I did not mean that we should have a law saying—I think this bill is bad anyway, but that is so much water under the bridge—this and that type of project; but the bill itself provides that the governor in council may make regulations with respect to permits. That is what I was thinking of. Is there to be any general indication to industry as to the type of project, circumstances and method by which they can apply for and receive their permits, or is the whole thing to be in the personal discretion of the minister?

Mr. HOWE: There will be regulations applying to specific industries. Regulations that apply to the automobile industry probably would not suit the electrical industry. Each industry is being studied and regulations are being issued as applying to that industry. So far as projects go, the general principles have been laid down as to the type of project that can proceed under present-day conditions, and the type of project that cannot proceed.

My hon. friend asked what we meant by "screening". A construction project is examined to see whether United States content is being used unnecessarily. For instance, if the specifications calls for Indiana limestone where the material might just as well be Queenston limestone the substitution is required to be made. If it is a steel structure where the project could just as well be reinforced concrete, that change is being required before approval can be given. But there must be a measure of flexibility. Regulations can only issue as all sections of the Canadian economy have been examined and those engaged in the industries consulted. All I can say is that there are certain regulations now and there will be more as the capital goods sections are put into effect.

Mr. GREEN: The minister has referred to projects approval.

Mr. HOWE: Yes.

Mr. GREEN: Am I to understand from that, that approval is given, for example, to the construction of a dam or a building or some other construction project? Can the minister tell us under what authority he can now issue what are called approval projects? I cannot find any authority for approvals of that kind in order in council P.C. 4678. It may be that there is some other authority; but, as I read this order in council, it gives power to issue a permit only for the importation of goods. Apparently the minister has some other sort of document he issues called a project approval. I should like to know under what authority he is now issuing those project approvals.

Mr. HOWE: I assume that the minister has authority to write a letter to someone. A project approval is, in effect, simply a letter from the minister saying that if a project is going ahead and involves so many dollars of United States exchange, based on plans which he has examined, he will be prepared, when the time comes, to issue permits for the required United States imports to be brought in for that project.

A project approval is not a document which can be used for any other purpose; it is simply an undertaking that the person can proceed with the projects with the assurance that the department will issue the permits necessary to allow him to carry out that project.

Mr. GREEN: I thought that was the picture. There we have the whole complaint of the official opposition on the manner in which the Minister of Trade and Commerce and Reconstruction and so on is carrying on. That just makes a farce of our whole statute law and even of the powers to legislate by order in council. It also makes a farce of parliament. We are in this position. The minister has not any authority whatever to issue these documents known as project approvals. He has just admitted that they are merely letters from himself. What is the sense of a scheme like that? If the minister required these powers the government should have come to parliament and asked for them; or, if it could be done under order in council, that is another way in which they could have moved. But here we have a minister of the crown arbitrarily deciding whether or not projects from one end of this country to the other can go ahead. Instead, he writes a letter without any authority whatsoever behind him.

That, Mr. Chairman, is an impossible situation and I am amazed that the government of Canada or of any other democratic country would allow business to be done in that way. We might just as well find out now where we are going, and whether this is the way in which the country is to be run. The man who wants to start a project is entitled to know the authority under which he can be stopped or the authority under which his actions can be controlled, and there is not a vestige of any such authority at the present time.

Mr. ABBOTT: Look at 43 (d) of the order.

Mr. GREEN: Of what?

Mr. ABBOTT: Of the present order, the regulations with respect to foreign exchange control. It is number 4678.

Mr. GREEN: I have it here 43 (d) of 4678 provides that, until otherwise directed by the Minister of Finance, acting on the advice of the Minister of Reconstruction and Supply, permits may be granted for the import of goods and equipment of the classes described in appendix nine. That is the only authority this government has at the moment to prohibit these goods, the capital goods. The procedure outlined there is for the Minister of Finance to issue a permit, and all he has to do is to get the advice of the Minister of Reconstruction and Supply. Instead of that course being followed, the Minister of Reconstruction and Supply is arbitrarily taking all the power and writing letters called project approvals, and not giving permits at all for importation. As the hon. member for Rosedale says, where are we? It just means that the Minister of Reconstruction and Supply, plus a lot of other things, is doing whatever he wishes, without any curb on him by legislation or by the government, and the people across the country are having to do as he tells them. That I must protest against. It is an intolerable situation and should be remedied without further delay.

Mr. HOWE: I have never heard a more ridiculous statement than the one just made in this house.

Mr. GREEN: You always say that when anyone criticizes you.

Mr. HOWE: The hon. member must know that a minister of the crown writes letters on a great many subjects in the course of his duties, and the government is bound by the letters the minister may write. A man is entitled to know whether the project he wishes to start on now is one that he can complete in the course of the dollar program. He writes to the department to find out. He is called in; his project is examined so that a letter may be written giving the information he wants. After the project has been examined, the letter is written, saying it is or it is not a project that can be proceeded with under the present regulations. It is perfectly absurd to say that special powers are required for that. Nothing of the kind.

Mr. GREEN: On that point—

Mr. HOWE: Don't be silly.

[Mr. Green.]

Mr. GREEN: I do not mind the minister's remarks of that type. It shows what little concern he has for parliamentary procedure or laws or anything else. That is just the difficulty, and that is exactly why we are in the position in which we now find ourselves. The minister has complete disregard for any sort of legislation or regulation. All he wants is the power to go ahead and do what he thinks should be done, and he attaches absolutely no importance to the formalities that must be gone through. That shows a complete disregard of our whole parliamentary system.

Mr. HOWE: Explain to me the formalities that should be gone through.

Mr. GREEN: Well, you should have some law authorizing you to do these drastic things. You have no power at all to do them. You are just doing them on your own, without authority at all.

Mr. HOWE: But I have the power to stop them.

Mr. WARREN: Perhaps the hon. member for Vancouver South would like to take on the job.

Mr. GREEN: I will tell the hon. member for Renfrew North that I do not believe there is another minister in the cabinet who would act as the Minister of Trade and Commerce has been doing. I do not believe there is a private member in this house in any party who would undertake to carry on in the way the Minister of Trade and Commerce is doing. with absolutely no authority.

Mr. WARREN: Will the hon. member agree that he did a fine job for Canada?

Mr. GRAYDON: What is under debate anyway?

Mr. KNOWLES: I think the committee should pause a moment to consider the effect of the treatise on parliamentary methods which the Minister of Trade and Commerce has just enunciated.

Mr. GRAYDON: Parliamentary?

Mr. KNOWLES: In fact, it is as unparliamentary as it can be. It is a negation of the whole principle of responsible government. The minister stands in this house and says that ministers write letters every day and the government is bound by those letters. I know that my files are full of letters, and I am sure every member has such letters, from ministers telling us time and again they were sorry they could not do so-and-so because

they had no authority under the act that parliament had passed. Many times we felt that it was an excuse, that they were not availing themselves of sections in the act or of ministerial prerogatives, but we have had to accept it.

Mr. ABBOTT: That does not apply here.

Mr. KNOWLES: Ministers are bound by the statutory provisions enacted in parliament, but now the minister says that ministers write letters every day and the government is bound by those letters. It is not good enough for the minister to say that the hon. member for Vancouver South is silly.

Mr. PROBE: United States or other foreign exporters to this country are as much interested in the basis on which the permits are being issued as are Canadian importers, and it seems to me that this would be an appropriate time for the Minister of Trade and Commerce to loosen up a little with information and take us into his confidence. He should tell us the over-riding policy under which he would or would not do certain things. I should like to know, with respect to the issuance of permits, particularly in connection with the third schedule to the bill, whether the minister intends to adopt a policy of making certain that every possible portion of the imported commodity has incorporated within it as large a percentage as possible of Canadian material to complete the assembled product; whether or not he is to make it obligatory or conditional with respect to permits in certain lines—and I am thinking of automobiles—that there be an expansion of United States branch plants in Canada; whether or not he is taking any steps to see that the proceeds of the Canadian sale be not immediately transferred to the funds of the foreign country; whether or not a portion of those proceeds should remain on deposit in Canada.

I think these are conditions which the minister might elaborate on. He might tell us whether he is insisting, in order that the imported product be readily accessible on the Canadian market, that for the future the exporters, or our foreign friends, shall take definite steps to import comparable quantities of Canadian products, either for disposal in toto or for processing for inclusion in such articles. Take the automobile industry for example. If it were made obligatory that United States exporters of automobiles to Canada should take the full amount, or a very large amount, of the dollar value of the imported automobile in terms of those parts of that automobile which we are already making in Canada, or which our people could readily make more or less to balance the exchange position, that would be a valid stand for the minister to take. Will he tell us whether or not there are any linkages with other trade plans such as the Marshall plan, or whether or not conditions will be made to permit United States exports to this country; that is, to have a quid pro quo whereby the Americans accept Canadian substitutes in some of their other foreign markets? It seems to me that those are things on which the minister could readily elaborate when he is asking for our approval.

There is perhaps one other thing which the Minister of Finance might indicate. To what extent do we make certain, through the foreign exchange control board or the export board of Canada, that the proceeds of all our Canadian exports to hard currency markets, the hard dollar returns, are, in fact, always brought back to Canada? Those are things that are not clear in my mind. Would the Minister of Trade and Commerce reply as far as he can with respect to the policy questions I have posed?

Mr. LOCKHART: I wish to speak just briefly now. I had intended to make some extended references—

Mr. PROBE: May I not have an answer from the minister?

Mr. HOWE: Perhaps I might reply to the hon. member for Regina City. The purpose of the policy is to use the minimum amount of United States dollars for imports and to earn the maximum amount of United States dollars through export. All the regulations are framed with that in mind. The regulations governing the automobile industry have been published. If my hon. friend will study those I think he will have the general pattern that is being applied to Canadian branch plants manufacturing a wide variety of articles.

Mr. PROBE: Does the minister imply that there are other than press reports covering that? That is all I have seen in connection with the automobile industry.

Mr. HOWE: I shall be glad to table tomorrow a copy of the letter of instructions that has gone out to the industry.

Mr. ABBOTT: To answer the second part of my hon. friend's question as to what steps have been taken to ensure that proceeds of exports in United States dollars are returned to Canada, it is and has been for some time

the regulation of the foreign exchange control board that goods can be exported to the United States only for a purchase price in United States dollars, and that those dollars must be brought back to Canada and sold to the board. So far as I know, that regulation has worked effectively.

Mr. LOCKHART: Just about one minute is all I desire at the present time. I had intended to make some extended references along somewhat the same line as those made by the hon. member for Middlesex East; but, after his clear elucidation of the matter of the importation of certain fruits and vegetables, I shall content myself by asking a question. I do not know which minister to appeal to, but I should like one of them to tell me what steps will be taken to clear up the situation which has occurred almost every year. When this proclamation was issued by the government we started off by having no cabbage one day and having them the next.

Mr. WARREN: Who wants cabbage?

Mr. LOCKHART: A little sauerkraut might do for the hon. member. What I should like to know, and I think probably that either minister could answer, is this. Reference has been made to the issuing of permits to allow the importation of many things which have already been referred to and I shall not enumerate them again. With regard to those permits that may be issued, will steps be taken to see that we do not have a repetition of the perennial flooding of our Canadian markets just prior to the time that our own produce comes on the market? If we could just have that flooding eliminated, it would be a tremendous help to the growers.

Mr. ABBOTT: The situation at the moment is, of course, that virtually all or at least a great majority of fresh fruits and vegetables are completely prohibited. There is no seasonal aspect to it at all.

Mr. LOCKHART: There are some quotas.

Mr. ABBOTT: Yes. The announcement stated that potatoes, onions, cabbages and carrots are to be allowed in under quota or permit. I announced as long ago as early in November that, when it was necessary to do so to insure adequate supplies of those four staple vegetables, permits would be issued. So far, special action has been taken only with respect to cabbage. It will no doubt be necessary to take action in the not distant future with respect to carrots.

Mr. LOCKHART: Can the situation not be controlled in some way, so that just prior to the time that our own products come on the market, we shall not have fifty cars of some product flooding the Toronto, Montreal or Winnipeg markets? The products just come in; their arrival seems to be so timed. Surely that can be controlled.

Mr. ABBOTT: That may have been the case in the days before these prohibitions were on, but that can be controlled now.

Mr. FRASER: It will happen in the future, because that is what has happened in other years.

Mr. ABBOTT: There was no prohibition of imports then. There is now. It has been indicated that there will be only a limited exercise of the import of fresh vegetables into Canada, namely, on the four staples I have mentioned—onions, carrots, potatoes and cabbages—if necessary. Virtually all other fresh vegetables are prohibited. I can assure my hon. friend that there is no immediate intention of changing that prohibition. I think it can be taken for granted that permits for the importation of cabbages, potatoes, carrots and onions will not be issued in such a way as to hurt domestic producers of those vegetables.

Mr. FRASER: I have had complaints.

Mr. LOCKHART: There will be no flooding of the markets?

Mr. ABBOTT: No.

Mr. FRASER: I have had some complaints from my own district. The vegetable men there are wondering if the Minister of Agriculture could not let them know what the situation is to be, so that they could order their seeds for planting in the spring.

Mr. GRAYDON: You will have to get a project approval from the Minister of Trade and Commerce.

Mr. FRASER: Yes, I know.

Mr. KNOWLES: Get them to write you a letter.

Mr. FRASER: The farmers here in Canada produced enough vegetables—carrots, cabbage, celery and other things—to hold over until about April of the following spring, until this government came along, gradually kept flooding the market and squeezing the truck grower out of business. They do not want that to happen again.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. SMITH (Calgary West): Mr. Chairman, I wish to ask only a question or two for the clarification of certain things in my

mind. In order that the minister may understand the position—I hope better than I do—I shall read briefly from the bottom of page 1164 of *Hansard,* where it says this:

Mr. Howe: Mr. Chairman, all I can say is that it may surprise my hon. friend to know that the Canadian automobile industry is not a drain on balance—that is the industry manufacturing in Canada is not. It does not constitute a drain on American funds. Value of exports are in excess of value of imports. The net balance does not represent a drain.

Mr. Macdonnell (Muskoka-Ontario): Does the minister mean a net balance in American funds?

Mr. Howe: The net balance of exports.

Mr. Macdonnell (Muskoka-Ontario): That has not anything to do with this.

Mr. Howe: I say that it is much the same thing. However, it would take all evening to explain that to my hon. friend.

Perhaps I might pause there to say that that was the treatment accorded the hon. member for Muskoka-Ontario. Then, on the same page of *Hansard,* speaking to the hon. member for York West, the minister concluded:

That is probably too deep for the hon. member.

Then, speaking today to the hon. member for Vancouver South, the minister told that hon. member that what he was saying was ridiculous, and then added the gentle remark, "Don't be silly."

It seems to me, judging from the last three occasions upon which the minister spoke—and I have placed what he said on record—it is about time he learned there are some people here with at least a trifling bit of ability—that is, of course, aside from himself. We assume that he treats members of the government with the same contempt as he treats us; and that, of course, is just a little bit more power gone to his head.

Then, to quote again from page 1165 of *Hansard,* the minister said:

As a matter of fact, dollar exports to the United Kingdom at the present time are just as good as exports to the United States, in obtaining American funds, because the balance in excess of the loan is paid for in gold—that is American funds.

If the minister intended to convey that, taking the statement as it stands, dollar exports to the United Kingdom were just as good as exports to the United States, then he certainly misled me, until I had an opportunity of looking into the matter. If we take the words at their face value, he has misled the House of Commons and the country, and for this reason. On the following page the Minister of Finance did explain the matter, because at the top of page 1166 he said this:

If the British take automobiles, they will take them instead of aluminum; that is the answer to that.

I think the statement made by the Minister of Finance is the correct one, although I am sorry he selected aluminum.

Mr. ABBOTT: That was just by way of illustration.

Mr. SMITH (Calgary West): I think, as a matter of fact, that Great Britain gets her bauxite from British Guiana.

Mr. ABBOTT: She gets her aluminum ingots from here, though.

Mr. SMITH (Calgary West): I think the minister was quite correct in saying that if we got that gold for motorcars, then we simply did not get it for something else. Therefore no one can argue that this whole policy is not a restrictive one. It seems to me that we should be bending our efforts to help rather than to hinder countries like the United Kingdom, which are in difficulties similar to our own. As yet I have heard no reason advanced—certainly no satisfactory reason—as to why we have shut off these exports from elsewhere, because it is now admitted that we have the power to do this. But, lest the Minister of Finance should regard himself as not a sufficiently great authority in the matter—and I think he is—let me quote some observations by the Prime Minister in the house on December 18, as reported at page 423 of *Hansard*:

In the arrangement for the provision of supplies, however, Canada has not been asked and will not be asked to go further than her financial situation permits. Likewise the United Kingdom will itself decide how to dispose of its present limited financial resources in the way most effective for its recovery.

So that there may be no doubt about the position at all, having the statement made by the Minister of Trade and Commerce leaving the general impression that exports made to the United Kingdom are as good above $45,000,000 in United States dollar value as exports made to the United States, we must all remember that when the British pay for motorcars in gold, as they may in one month or in a series of months, it means that they do not export other articles to us. In other words, this has been a restriction. And one might be quite safe, I think, in using the expression that to a considerable extent it has been a bar to importations from Great Britain to this country.

In view of the fact that, in reply to the hon. member for Muskoka-Ontario, the minister and the hon. member became involved in the matter of balances, as well as that of currency, I consider it worth while to look into the situation with respect to our foreign

trade. I have in my hand three documents to which I shall refer by their numbers. These documents are numbered 10-4110, 10-4120 and 10-4130. I am not going to read any portions of them to the committee, but I shall summarize as best I can what they mean. They mean this, that to the end of last year our balance of trade from all countries, excluding gold, was $237·8 million. The gold was practically $100 million—I believe the exact figure is between $90 million and $100 million. This means that we had close to $350 million, or perhaps nearer to $340 million.

As shown in the documents to which I have referred, for the ten months ending January 1, 1948, our net credits extended abroad were $376 million. On that basis, if you take the twelve months it would be approximately $450 million. Therefore, our credits that we extend exceed the over-all balance which we have. I think what I have said gives us a really true picture of what our trading position is.

We have been carrying on this program, austerity or otherwise, and it seems to me that what the government have done is to waken from a sound sleep where they have not been watching with their usual care the mounting trade balance against us, the dollar position which was constantly getting worse. For three months they have operated under this program. To speak broadly, the bill which we have before us does not purport to do more than they are doing at the present time under the authority which is theirs or which they have assumed to be theirs under the order in council passed under the Foreign Exchange Control Act. That act does not expire until sixty days after the meeting of parliament in 1949.

When we remember the draining from the reservoir of goods which took place during the war; when we remember that inventories have been increased exceedingly quickly since the war and certainly very much so within the past eighteen months; when we remember that there has been a heavy stocking up of inventories in view of rumours of the possibility that the action which was taken would never be taken, it brings to my mind the thought that perhaps it would have been better for the government to carry on for another twelve months or for a period prior to the expiry of the act on which they base their present authority, and then the house might not have been bothered at all with this bill.

[Mr. Smith (Calgary West).]

The circumstances which I have mentioned, namely, the stocking up by merchants—by merchants, I mean all people selling goods—was such that I believe that within twelve months the situation would have rectified itself to a very large extent or, in any event, would have reduced itself to a trend that was fairly flat. We would have had a much more accurate idea of what our position was in that respect.

It seems to me that what has been done is reminiscent of what was done by Mr. Schacht, who was in charge of things financial in Germany prior to the war. He had to do two things. He had to develop the economy to run the ordinary needs of the country, and he also had to prepare a great armament program. What he did was this. He simply said, "We will estimate the things we need to live and the things we need for the armament program. Therefore we will take control of all foreign exchange arising from German exports and these will be allocated strictly along the lines I have indicated."

Is that not exactly what we are doing here? We are taking charge of all foreign exchange and allocating it through the judgment of the Minister of Trade and Commerce to specific purpose within our own country.

I am not smart enough, I am not sufficiently experienced, nor do I have the knowledge to say that ultimately in Germany, had there not been a war, that action would have failed probably just as quickly as it did because there was a war. What I am trying to say is that the government has been tried and not only has it been found wanting, but it has led us to disaster and chaos. Do not let any one say that I am predicting that for this country of ours. What I am saying is that it is basically wrong.

It is true that we are told these are only temporary measures. If they be but temporary measures, it seems to me that it should say so somewhere in the bill. The bill is entirely silent with respect to that.

I hope that no one in this country will accept the view which, by inference, may plainly be taken from the words of the Minister of Trade and Commerce, namely, that exports to Britain in United States dollars are just as good as exports to the United States. I am not saying that it was done deliberately, but that is a complete distortion of fact. The minute they use their limited supply of gold to take care of motorcars, then they have to give up something else. What we would have accomplished is this. It is true that they may

do the allocating of their limited supplies of gold, but it is equally true that we choke off these people and rid them of all chances to re-establish themselves by trading with us, their sister commonwealth.

Mr. MACDONNELL (Muskoka-Ontario): I want to say something more about this question of permits, and I should like to return to what the minister said on Thursday night last. I should like to read just a sentence or two of what he said. We are talking about the automobile industry, to which the hon. member for Calgary West has referred, and the minister said, as reported on page 1165 of *Hansard*:

> However the point I make is that it seems to us that the industry is capable of contributing much more in American funds than it has been doing, and the regulations are framed with that in mind. I shall be very glad to get the regulations and either put them on *Hansard* or send them to my hon. friend. I have sent up for them.

I want the minister to tell us about these regulations, and then I want him to give more detailed figures of purchases, imports and exports by the automobile industry. I am not able to find figures which bear out what he said. Even giving the words he used the most favourable interpretation, while I agree fully with the hon. member for Calgary West, it is entirely improper to allocate gold against the motorcar industry and say that is as good as United States dollars and therefore we have a surplus. What I want to know is whether, even on that basis, we have a surplus. The figures I have show the contrary. I should like to hear the minister's figures.

Mr. HOWE: Since this is not my bill I have not all the figures before me. I sent for them on the day in question and I had them here, but by then nobody seemed interested, so I put them back in the file. I shall have them here after three o'clock tomorrow afternoon. The figures for the motorcar industry are closely in my mind. I happen to have been examining the position of imports and exports in dollars, and I must say that I was surprised myself to find that, on balance, the exports produced more than was represented than by the drain on dollars through imports.

Mr. SMITH (Calgary West): Does that include tractors?

Mr. HOWE: No; motor vehicles. Tractors are made in Canada only to a very limited extent.

Mr. MACDONNELL (Muskoka-Ontario): Was the minister talking about automobiles, trucks and parts?

Mr. HOWE: That is right, of a class or kind made in Canada.

Mr. MACDONNELL (Muskoka-Ontario): Then I am going to suffer a great disappointment tomorrow, because I cannot be here to hear the minister's figures, and I know they are wrong.

Mr. FLEMING: Section 3 (2)(a) refers to goods that have not been delivered but were in the possession of a common carrier before November 18, 1947, and were in the course of continuous and uninterrupted transportation to Canada on the day preceding that day. That provision is a counterpart of the provision in P.C. 4678. I suggest that that provision ought to be liberalized, if one may use that expression with a small "l" without any political connotations. Many cases of genuine hardship must have been brought to the minister's attention, arising out of the strict enforcement of that provision, and I submit that the provision itself is not a suitable one.

It is axiomatic, as I believe the Minister of Finance will agree, that new legislation ought to avoid any interference with existing contractual obligations unless there is some over-riding principle involved. In the transactions of the kind I shall refer to there is no question of exchange involved. They are cases in which purchases had been made of United States goods before November 17; the money had been paid, and there was no question of exchange involved. In some of the cases of which I have personal knowledge, the goods had been warehoused or had made perhaps the first leg of a journey, but were not in continuous and uninterrupted transit on the day the government chose to put the new program into effect. Those cases were automatically excluded by the act, even though no question of exchange was involved.

Here is Mr. Jones who has the good fortune to have his goods in movement towards Canada, whereas Mr. Smith alongside him had also completed his purchases of United States goods but was waiting perhaps for the proper season or because he did not have storage room or for some other perfectly good business reason, and so his goods were not in continuous and uninterrupted transit at the moment when the new regulations came into effect. I hope that the minister will treat these as cases of hardship.

I do not believe that it will open the door to fraud if you enlarge the exception to include cases of goods purchased and paid for which were not actually in uninterrupted transit on November 18. Surely to goodness,

ample proof can be had that a transaction had been completed, ownership had passed and the purchase price was paid. I cannot see that there would be any difficulty in policing transactions to that extent.

There is another feature to this provision. Take the case of the Canadian importer who perhaps has stretched his means to the limit to complete a purchase in the United States. He has been wanting to bring the goods in here and has stretched his financial resources to the limit. He has completed his purchase. He is prevented from moving the goods to Canada. He has, therefore, to sell his goods at the best price he can obtain for them over there, to sacrifice them, being at a disadvantage, or in the other case he is up against an equally serious disadvantage in performing his contractual obligations. I wish the minister would give the committee a clear assurance that, in cases where purchases had been completed and there can be no question whatever of any other requirement of United States dollars being involved, the mere fact that the goods were not in continuous and uninterrupted transit at one minute after midnight on November 18, will not prevent importers from bringing in goods which are theirs in fact, and where there is no question of United States dollars being involved.

Mr. ABBOTT: That question was given most careful consideration before the provision was put in the order and a test of continuous and uninterrupted transit was accepted as the one which should be followed. The particular hardship clause is there to be availed of in cases where the importer would suffer exceptional hardship by reason of the fact that he could not bring the goods into Canada because they were not in transit at the time the order came into effect. In the case of the importer who had paid for the goods in the United States, he, of course, became the owner and he could warehouse them there if he wanted to, or he could sell them and bring the proceeds back into Canada and that would represent a conservation of United States dollars. The provision was based on the experience of other countries in imposing similar restrictions. Sweden had to take similar action last March, and where they attempted to recognize existing contracts the restrictions did not become effective until six months after being put into force. There has to be a line drawn somewhere, and there is the hardship clause to take care of exceptional cases. As I said to the hon. member for Muskoka-Ontario, a considerable number of permits have been issued under the hardship clause, some 5,000 odd, representing goods of a value in the order of $7,000,000.

[Mr. Fleming.]

Mr. FLEMING: In section 3(1) the minister is given power to "issue, vary or revoke permits for the import of such goods". I have looked carefully through the act many times to find a provision which clearly defines the conditions under which the minister may revoke a permit, once granted. It seems to me, with respect, that once a permit has been granted, it should not be revoked except under clear circumstances, for instance, where there has been fraudulent misrepresentation to the minister in support of the application. There ought to be clear provisions in the bill some place, not necessarily here, dealing with the matter, and it should not be left simply to regulations to define the circumstances under which the minister may revoke a permit which he has issued.

Mr. ABBOTT: That was discussed to some extent this afternoon, and I pointed out that it is the language which is used in the Export-Import Act. The question of revocation of permits relates more particularly to the quotas which are, as the committee appreciates, a form of permit. For instance, if a quota holder should go bankrupt, his permit, consisting of a quota, should be revoked. If he fails to distribute the goods equitably in the district in which he is doing business; for instance, if he has a quota of import oranges and does not distribute them equitably we should have the power to revoke his permit. Suppose an importer in Halifax, for example, has a large quota of import oranges, and distributes them all in the Halifax area, and does not send any over into Sydney—I am just using that as an illustration—it is desired to have the power to revoke his permit if he does not distribute his quota fairly. I think under a permit system, unfortunate as it may be, it is necessary to have the power to revoke accompany the power to issue. I agree with my hon. friend that it would probably be as well, in drafting regulations, to try to indicate as explicitly as possible the conditions under which permits would be issued, varied or revoked; but in the very nature of things it would probably be impracticable to foresee all the circumstances under which it might be necessary to exercise that power.

Mr. FLEMING: I should think, Mr. Chairman, that while there may be difficulty in achieving an exhaustive enumeration of all the circumstances under which it may be necessary to preserve the power to revoke a permit once issued, nevertheless there should be provisions in the act which define the principles under which the minister may proceed in revoking a permit.

A fundamental criticism of this bill—I do not need to repeat it because it has been said times without number—is that it simply puts power in the hands of the minister to do a hundred and one things, and it does not contain clear statutory provisions as to the limits within which he is to proceed. All the provisions are designed to put power in the hands of the minister, and there are no clear limitations on the power or effective statutory directives made by which he is to proceed. There is too much power left in his hands. While I well appreciate, as I have indicated, the necessity for reserving the power to revoke, I do say most earnestly that this bill ought to contain a clear statutory definition of the terms on which the minister may revoke.

Mr. ABBOTT: This subject of revocation is an important one. I agree with my hon. friend that it would be desirable to try to spell out just as completely as possible in the regulations what these conditions are, but hon. members will recall that during the war it was necessary to have control measures of this kind. Unfortunate as it may be under ordinary circumstances, it is necessary to their effective administration in the interests of the public that there should be a considerable measure of legislation by regulation.

Mr. DIEFENBAKER: Bureaucratic control.

Mr. ABBOTT: One may describe it as he likes. I am afraid it is inevitable, and one cannot make these control measures work without them. I do not like them any better than anyone else. I had hoped we would be out of these things long before this; nevertheless sometimes it is necessary to do unpleasant things. This legislation is an unpleasant necessity, and if it is to work, and work smoothly and properly, there must be the flexibility that is necessary to enable it to be done. One of the methods is by the enactment of regulations which are made public, which have to be published in the *Canada Gazette,* and which the public know. But to attempt to spell it all out in a statute, to foresee all the various circumstances which will arise in a statute, I suggest is completely unrealistic. It would defeat the very purpose which we are trying to accomplish.

Mr. DIEFENBAKER: I have not taken any part in this discussion and I do not intend to take much now. I had occasion this afternoon to hear the Minister of Trade and Commerce dealing in his usual cavalier way with questions asked by the opposition. I can quite understand the attitude of the minister, because he had been flitting from power to power, until today he believes that, as far as parliament is concerned, it is just an institution before which he appears from time to time. But when asked questions he uses the usual method he has of referring to the statements made by those in the opposition—

Mr. HOWE: Thank you very much.

Mr. DIEFENBAKER: Well, I am glad to receive at least thanks from the right hon. gentleman. That is quite different from the usual—

Mr. HOWE: Was it something you wanted to know after all that?

Mr. DIEFENBAKER: All I have to say, sir, is this. My right hon. friend invariably resorts to abuse when asked questions that are reasonable and fair. I can quite understand his attitude. He has passed through one dictatorship to the other. He took over radio; he controlled air, and now he controls wheat marketing in this country; and finally he is going to control the entire economic development of our country. I point out this in connection with what the hon. member for Eglinton said, when we place in the hands of a minister the absolute power that has been placed in the hands of the Minister of Trade and Commerce, surely parliament has a right to ask that these powers shall be exercised in accordance with law and statute passed by parliament or regulation which parliament knows of. I ask the minister this question: is that an unrealistic suggestion?

Mr. HOWE: I am afraid my hon. friend gets himself mixed up with parliament as a whole.

Mr. DIEFENBAKER: As a matter of fact, sir, when I see the powers that are conferred here I look back and I read what the Prime Minister said in 1933, and I ask myself, has democracy so changed in this country? In the session of 1932-33 the question of the allocation of power to the executive was under discussion. and the Prime Minister said, as reported at page 3187 of *Hansard*:

> If this parliament parts with the power of parliamentary control over legislation generally and places that power in the hands of the executive, I say, we shall find very soon the contention being made in different parts of the country that if one individual or executive can exercise all the powers of government then a class can just as well do the same.

Sir, I suggest this to you, never in the history of this country, and even today in Britain under socialism, has any minister been as

powerful as the Minister of Trade and Commerce in this government today. It is not very long ago in the city of Toronto that he made a great speech after coming back from Britain. He pointed out the great danger of placing almost absolute power in the hands of one man. He spoke of its danger and how such a condition of affairs would not be permitted to exist in this country.

Mr. HOWE: When was this?

Mr. DIEFENBAKER: That was in a speech made in Toronto in October last.

Mr. HOWE: To whom?

Mr. DIEFENBAKER: To the board of trade of the city of Toronto, after the minister's return from abroad.

Mr. HOWE: I never addressed the board of trade in the city of Toronto in my life.

Mr. DIEFENBAKER: It just indicates how the minister forgets some of the statements he makes.

Mr. HOWE: I never addressed the board of trade in the city of Toronto in my life.

The CHAIRMAN: May I suggest to the committee that they discuss the powers under this act and not go so far afield. At present the hon. member is discussing a speech that was made by the Minister of Trade and Commerce before he was Minister of Trade and Commerce and before this act came into effect. I suggest to the committee that if we are to make the progress which the committee desires we should stay within the rules of the house and discuss the clauses which are before the committee.

Mr. DIEFENBAKER: That is what I am trying to do, and I wish to thank you, sir, for having pointed out that there is reason for the minister's change of attitude, because I was referring to statements made before he became Minister of Trade and Commerce. Does Your Honour say to me that, in connection with the question of powers, I may not refer to some of the lessons of democracy given this house on occasion?

The CHAIRMAN: I think it would be more strictly in accordance with the rules, now that we are in committee, that members should discuss only the clauses before us, and not discuss other questions which, though relevant to this question, are not strictly before the committee at the present time.

Mr. DIEFENBAKER: As long as you keep me directed so that I shall stay within the rules, I will try to do so.

[Mr. Diefenbaker.]

Mr. HOWE: When do we come to fundamental rights and freedoms?

An hon. MEMBER: Every time we deal with you we come to them.

Mr. DIEFENBAKER: Fundamental rights and freedoms. That expression coming from my right hon. friend is just a series of words, not practised by him at any time.

Now, for the purpose of building up what I have to say, may I finish the quotation? Incidentally, may I say to my right hon. friend that I said that it was the board of trade, and that this was the only institution he spoke to in Toronto after he came back from abroad. I believe it was the businessmen of Toronto.

An hon. MEMBER: The Liberal businessmen.

The CHAIRMAN: Again, I cannot see what that has to do with the clause under consideration. I believe the committee does want to proceed with its work and I again ask the hon. member to discuss clause 3.

Mr. DIEFENBAKER: I have sat here and listened to the debates that have gone on and have not had anything to say, and I heard a discussion this afternoon, and even this evening, which I considered relevant to the section in question, as were the remarks that I was making. However, Your Honour rules this committee and I bow to your ruling.

I was dealing generally with the question of controls, and I am sure Your Honour will not consider me astray if I refer to a statement made by the Minister of Finance a few moments ago in regard to bureaucratic controls.

Mr. ABBOTT: That was my hon. friend's phrase, not mine.

Mr. DIEFENBAKER: Yes, but accepted with approval by my hon. friend.

Mr. ABBOTT: Not necessarily with approval.

Mr. DIEFENBAKER: He certainly does not disagree. You know, sir, we have come to this point in this country. All along, those on this side have spoken about bureaucratic controls and how the people have been strangled and stifled by them, and now the minister admits the necessity of bureaucratic controls this evening.

Mr. ABBOTT: Controls, anyway.

Mr. DIEFENBAKER: He admitted the necessity of bureaucratic controls. As a matter

of fact, that is a long cry from the Prime Minister's statements of a few years ago. I am sure he will admit what the advisory council of the national Liberal federation enunciated at the recent convention. Here for the first time is an admission by those who direct that party that bureaucratic controls are, in fact, necessary in Canada. I read from the section dealing with fiscal policy:

> The advisory council of the national Liberal federation reaffirm its faith in the system of free enterprise, accepting the proposition that government of bureaucratic control or regulation may become necessary in an economy based upon a system of free enterprise.

It gives various reasons why bureaucratic control is necessary, and finally declares:

> . . . to overcome a crisis developed by a temporary emergency.

That, sir, is the greatest admission we have ever been able to secure that there is, in fact, in this country, and has been, bureaucratic control, and it is part and parcel of the policy of this government.

May I ask this question? When did the Minister of Finance first seek an opinion regarding the use of the Foreign Exchange Control Act for a purpose which parliament never intended?

Mr. ABBOTT: My recollection is, early in August.

Mr. DIEFENBAKER: Early in August. At that time the amount of our foreign exchange was gradually going down. It had diminished to a great extent at that time. The situation was dangerous. I will not give quotations on this occasion; but not only did the hon. member for York West warn the government in June last, but throughout the summer newspapers in the country were warning them. Yet, did the government act? In August, the minister admits, he realized the situation, because if he had not realized it he would not have gone to the law officers of the crown to find out if there was not some way whereby he could get around that situation. I say, with all the respect I have for the Minister of Finance, that no more serious insult to parliament has been committed by any minister than by the Minister of Finance when he admits that parliament was led by the government to believe that this act would be used for one purpose only, and the government, in the face of the promise to parliament, endeavoured to ascertain whether they could circumvent an act passed by parliament for one purpose in order to achieve another purpose.

That indicates how far this government was prepared to go in order to circumvent parliament. If the situation was serious in August, why then did the government wait until November 17? Why was parliament called? Why was parliament not called during that period? Why was it necessary to do something that has never been done before in history, to impose taxation by order in council? Why, if this government intended to respect parliament, was not something done between August and November 17 to convene parliament? That is the question to which I think the minister will have to give a better answer than the rather offhand, haphazard answer that he has given up to the present time.

I am now going to ask the minister certain questions, and they can be answered either at once or later as the case may be. How much United States currency is it estimated that during the period of a year will be saved on prohibition; that is, on commodities directly prohibited? And on commodities subject to quota—on automobiles, and on tourist expenditures in the United States?

Mr. ABBOTT: I have given some of that.

Mr. DIEFENBAKER: You have not given all of it.

Mr. ABBOTT: I think I can give some of them. As I have said before, we estimated tourist expenditures at $30,000,000 to $40,000,000; but that can only be an estimate. I think I can probably give the prohibitions and quotas right now if my hon. friend will wait for just a moment.

Mr. DIEFENBAKER: Very well.

Mr. ABBOTT: It is estimated, between prohibitions and quotas, at approximately $300 million. I do not know that I have a breakdown of the articles on the prohibited list and those on the quota list. That is based on last year's importation of those articles.

Mr. DIEFENBAKER: That is a full year?

Mr. ABBOTT: That would be operating for a full twelve months' period; that is correct. I can perhaps give that in a little more detail tomorrow or a little later on.

Mr. DIEFENBAKER: I should like to ask the Minister of Trade and Commerce what the anticipated savings of United States exchange will be on capital goods that ordinarily would have come into the country but for the refusal on his part to grant permits in individual cases. What is the estimate in that connection?

Mr. HOWE: It is impossible to make an estimate. We can make estimates in various

individual fields only as we study them. For instance, the estimate that has been given to me by our economics branch in the automobile field is $70,000,000 per annum. But until other fields are studied, a formula devised and estimates prepared, it is impossible to say what the over-all position will be.

Mr. DIEFENBAKER: The ministers apparently held a joint press conference in November last. Is it not a fact that they stated at that time that, on the basis of figures which they had before them as far as capital goods were concerned, at least $200 million would be saved thereby?

Mr. ABBOTT: I think I recall that at the time, following the discussions which we had with our officials, it was felt that any estimate as to capital goods would be perhaps not a guess but pretty nearly a guess, because it is so difficult to know at what rate people would want to go ahead with capital expansion, what portion would be absolutely essential to be allowed to go on, and so on. So we never felt at any stage that any accurate estimate could be formed as to what would be the savings on the capital goods side of the program.

Mr. DIEFENBAKER: Was there not an estimate given?

Mr. ABBOTT: I remember that at the press conference we were careful to state that the estimates in that particular field, and in the others too, were only estimates and should be taken as such.

Mr. DIEFENBAKER: And the estimate given was $200 million?

Mr. HOWE: On capital goods?

Mr. DIEFENBAKER: Yes.

Mr. HOWE: What are the other items? The hon. member has the statement there.

Mr. DIEFENBAKER: The other items are: on prohibitions, $150 million, and quotas, $120 million. That is $270 million in all. The minister now says the estimate would be approximately $300 million. Automobiles were given at $35,000,000 in that case; tourists at $35,000,000 and capital goods at $200,000,000. There was also an estimate, was there not, on how much gold production would be increased in this country?

Mr. HOWE: No.

Mr. ABBOTT: I do not think so.

Mr. DIEFENBAKER: I obtained my information from the London *Free Press* of November 19, and the estimate on new gold given on that day, as reported, was $50,000,000. I should also like to ask the Minister of Trade and Commerce what have been the savings to date in those various items. I do not know which minister to ask. Possibly I will ask the Minister of Finance. What have been the total savings to date under those various items?

Mr. ABBOTT: It is impossible to say, because we have had only a couple of months of operation. Any estimate of the savings must be made on the assumption that the volume of imports, on both prohibited goods and imported goods, would continue at the same rate as they had during the preceding twelve months. The best criterion or a partial one is the position of our exhange account which I gave the other day. At the end of January it was approximately $514 million, up from a low of $461 million, I think, on December 17. But it is hard to pinpoint the savings in this group or that group. We shall have monthly figures under tariff item classifications for the prohibited items and for the quota items.

Mr. DIEFENBAKER: The minister has none of those yet?

Mr. ABBOTT: We may possibly have the December figures. I shall have to check on that. We would not have anything later than the December figures, but we may possibly have a breakdown on those. I would have to check on that and see.

Mr. DIEFENBAKER: If the minister has those, he will let us have them?

Mr. ABBOTT: Yes.

Mr. DIEFENBAKER: On the occasion of this conference the Minister of Trade and Commerce allegedly stated that certain industries in this country were to be given priority because they are capable of expanding exports to the United States; in other words, in the granting of permits for the importation of capital goods, certain particular industries were to be given priority. Has any determination been made as to which these industries are? Are there any regulations which indicate that a definite policy in that regard is being followed?

Mr. HOWE: I have stated several times that in the issuing of project approvals, approvals are given for industries which are improving the United States exchange situation. A good many have been granted. I suppose my hon. friend will ask to whom they have been granted. I cannot give him that information just now, but it is a routine procedure. A considerable staff is engaged in exactly that work of determining whether the project is one that will improve Canada's

United States exchange position. If so, the approval is granted. If, on the other hand, it is a project that will be a drain on the United States exchange position, the project approval is not granted.

Mr. DIEFENBAKER: But are there no regulations?

Mr. HOWE: Definitely.

Mr. DIEFENBAKER: Are no definite principles enunciated?

Mr. HOWE: Definitely.

Mr. DIEFENBAKER: That is what I am trying to get at.

Mr. HOWE: Yes.

Mr. DIEFENBAKER: Will the minister lay on the table of the house a copy and let us see the general principles on which he acts? I am sure he will agree that that should be the case. If that is not so, the situation lends itself to discrimination on the part of the minister. In other words, it places the minister in a position where he can say to one manufacturer in a certain industry that he will give him no permit and to another manufacturer of a like product that a permit will be granted. Unless there is something of a definite rule, the minister might very well find, however he might back up and be adverse to this being considered, that political fitness would become the qualification for the issuing of permits. It is in that respect that I ask the question.

Mr. HOWE: My hon. friend is taking that from the sewer of his own mind.

Mr. DIEFENBAKER: What is that?

Mr. JACKMAN: You are doing that from the sewer of your own mind.

Mr. DIEFENBAKER: Mr. Chairman, that is a typically polite remark on the part of the minister, and I ask for an immediate withdrawal of that statement.

Mr. HOWE: In the last eight years I have had probably more opportunity than any other man in public life to favour my political friends and punish my political enemies, but never on any occasion have I had an insinuation that it is a thing that I am likely to do; and I will not take it from my hon. friend or anybody else.

Mr. DIEFENBAKER: I am accepting the minister as being the custodian of all perfection. Nevertheless, I want that statement withdrawn.

Mr. HOWE: I will not withdraw it.

Mr. WARREN: I suggest that the hon. member for Lake Centre withdraw his insinuation.

The CHAIRMAN: Probably the language on both sides has been quite strong. The Minister of Trade and Commerce used the word "sewer" which, I think, is probably too strong. Perhaps he would like to change that word.

Mr. HOWE: There is no reason in the world why I should. This is not my bill. There is no reason why a member of the opposition should get up and make insinuations of that kind, which are wholly uncalled for. Why should I apologize?

Some hon. MEMBERS: Withdraw.

Mr. GREEN: On a point of order, the minister has said that the thoughts of the hon. member for Lake Centre as expressed, were from the sewer of his own mind. No one in this house can get away with a remark of that kind. It should be withdrawn, without qualification.

Mr. WARREN: I suggest that the insinuation that the minister was ever guilty of the suggestion made ought to be withdrawn.

Mr. MacINNIS: Strictly as a neutral, and possibly to throw some oil on the troubled waters, may I say that I was listening carefully to what was said by the hon. member for Lake Centre. While the minister might have felt that the language used by the hon. member was provocative, I do not believe that it was, actually, in the context in which it was used. As I heard him, he was not referring to what the Minister of Trade and Commerce might do. What he was saying was what this legislation would give the minister power to do—and that is an altogether different thing. Perhaps it is unfortunate that the minister has to take some of this, but I think the minister's statement was uncalled for, in the way it was put.

Mr. HOWE: Mr. Chairman, I was sitting in the committee like any other member, and the hon. member rose in his seat and proceeded to read me a lecture. But if what the hon. member for Lake Centre said is what the hon. member for Vancouver East has just said, there was no call for my remark.

Mr. DIEFENBAKER: Is it withdrawn?

The CHAIRMAN: The minister was under the impression that the hon. member for Lake Centre—

Some hon. MEMBERS: No, no.

The CHAIRMAN: Order. The Minister of Trade and Commerce was under the impression that the hon. member for Lake Centre was suggesting that he was using his power improperly. I think it is clear now that the hon. member for Lake Centre had no such intention. In view of that, I would suggest that the Minister of Trade and Commerce should withdraw his remark.

Mr. HOWE: I bow to your ruling, Mr. Chairman.

Mr. DIEFENBAKER: I appreciate that.

Mr. HOWE: Just address yourself to the Chair, not to me; I am tired of it.

Mr. DIEFENBAKER: I am not talking to you.

The CHAIRMAN: I would ask hon. members to address the Chair.

Mr. DIEFENBAKER: I appreciate that—

An hon. MEMBER: Withdraw.

The CHAIRMAN: The remark has been withdrawn.

Mr. DIEFENBAKER: I am pointing out, as the hon. member for Vancouver East stated, that without regulation executive tyranny is possible in a case such as this. The minister has now stated that under no circumstances should such a thing be said. Then I ask him what possible objection he could have to accepting a regulation so that each industry would know whether it qualifies to receive a permit for the importation of capital goods from the United States. In that way every suggestion that unfairness is possible, that caprice has been exercised, that injustice has been done by way of discrimination will be removed entirely; for each and every one who applies will realize that in certain industries permits will be granted, if extensions will meet the exchange situation, whereas in other industries permits will not be granted, regardless of circumstances.

After all, the identity of the individual minister of the crown is not at issue here. The matter at issue is that parliament is asked under this legislation voluntarily to give up and to surrender its rights and to place them in the hands of one or two ministers to determine for an indefinite period.

It started off with the minister's statement that in a few months everything would be well. But since this debate has started, that "few months" has become an indefinite date in the future. We in this parliament are asked to give power which might not be of an emergency nature, and which may be permanent; for all the record of the last few years has shown that when parliament has surrendered a power temporarily, in the ordinary course of events that power has tended to become permanent, and a complete loss on the part of parliament, and its right.

Will the minister not reconsider the situation?—I make an appeal—and if I cannot make it to the Minister of Trade and Commerce, then I make it to the Minister of Finance—to reconsider this, and to tell the committee in some businesslike detail, so that he who runs may read and understand, what general principles are to be adopted. So far as permits are concerned, in respect of capital goods, those industries which will not receive permits should be designated, and those which will receive them should also be placed on the list, showing that applications from them would in ordinary circumstances be affirmatively accepted.

On the occasion of the press conference—and I have various press reports here—the Minister of Trade and Commerce stated, as it is reported in the Ottawa *Journal* of November 18, that the government would encourage and increase the production of coal. And he indicated that, in order to increase the production of coal in Canada, the government might be more generous in the matter of subsidies. Then he went on to say that it would even consider assistance in the export of Canadian coal, if paid in United States dollars. I would ask the Minister of Trade and Commerce what, if anything, has been done to carry out the suggestion or plan enunciated on that occasion.

Mr. HOWE: I did not hear the reference. The hon. member referred to the Ottawa *Journal*.

Mr. DIEFENBAKER: It was a statement made at a press conference.

Mr. HOWE: Every pound of coal that has been produced in Canada has been marketed, and every encouragement that I know of, has been given. If a subsidy was required to move boats, or to move coal by ship, such subventions have been provided. If boats have been required, assistance has been given to obtain boats.

Mr. DIEFENBAKER: Have there been any subventions since November 18?

Mr. HOWE: Yes.

Mr. DIEFENBAKER: Extra ones?

Mr. HOWE: Nothing outside the scope of the subventions, but there have been new applications.

Mr. DIEFENBAKER: Probably the minister could tell us which companies received extra subventions since November 18?

Mr. HOWE: Dosco.

Mr. DIEFENBAKER: And who else?

Mr. HOWE: That is all.

Mr. DIEFENBAKER: That is all?

Mr. HOWE: Those were the only subventions required.

Mr. DIEFENBAKER: Were there any other applications?

Mr. HOWE: No.

Mr. DIEFENBAKER: No other applications?

Mr. HOWE: What clause is my hon. friend speaking to now, Mr. Chairman?

Mr. WARREN: That is what I want to know.

Mr. DIEFENBAKER: I am speaking to the question of a permit. After all, we are granting certain powers to the Minister of Trade and Commerce, but we in parliament do not seem to be able to get a complete answer to these questions.

The CHAIRMAN: I do not believe the question of subventions is involved in this, although the question of permits is.

Mr. GRAYDON: Surely that is part and parcel of the general situation we are discussing.

Mr. HOWE: Coal subventions, do you mean?

Mr. GRAYDON: Yes.

Mr. HOWE: What section in the bill?

Mr. ABBOTT: It could apply to the constructive part of the program, but it has nothing to do with the restrictive side of it.

The CHAIRMAN: Shall section 3 carry?

Mr. FULTON: The minister has just taken exception to a remark made. I wonder if he could explain the necessity for what seems to me otherwise a quite unnecessary and indefinite state of suspension in connection with Canadian industries. He spoke earlier this evening of a list of what he called project approvals. As I understand the proposition, the Minister of Finance is in a position to give a permit to anyone who applies for imports. Why should the minister of reconstruction take it to himself; why should he have the power, or why should he follow the course of writing a letter saying, "Your project is one in connection with which I might give a permit," or "I will give a permit when the permits come into force." Why could the Minister of Finance not simply get the approval or advice of the minister of reconstruction and give the permit now? Why put the thing on the precarious basis of a letter which says, "At some time in the future I may give a permit"?

Mr. HOWE: A project might require a vast variety of permits. It might require a permit for the importation of structural steel, a permit for specific items of machinery and so on. It is all very well to give permits, but the applicant is not ready to specify his requirements, and there is no purpose in asking him to file under every tariff item that may be involved since the assurance can be given that if and when he needs permits he will obtain them.

Mr. CRUICKSHANK: I rise to a question of privilege. This morning no less a person than the Prime Minister extended greetings to the leader of the C.C.F. party. The hon. member for Renfrew North extended greetings to the hon. member for Selkirk. I want to extend greetings to the hon. member for Greenwood who has returned for his annual visit. I hope he is fully recovered in health.

Mr. GRAYDON: That was totally uncalled for, if I may say so.

Mr. FULTON: Do I understand the minister to say that he then gives tentative approval for applications which may be received in the future? Is that the effect of the letter of approval?

Mr. HOWE: A manufacturer may want to erect an industrial plant, and he desires to know that if he undertakes a project of that kind he will be able to procure the United States contents required by the project. He asks that simple question and he obtains from the Department of Trade and Commerce either a yes or no answer to his question. If the answer is yes, he is able to proceed with the project knowing that he will obtain his United States contents. If the answer is no, he does not start his project and get himself involved because he has received pretty fair assurance that he will not be able to build it.

Mr. FULTON: Is this letter a tentative application?

Mr. HOWE: Call it that if you will.

Mr. FULTON: I am just trying to find out what reliance the manufacturer or the person who is considering a project can place on that letter if he has not made application.

I am trying to find out upon what basis the minister says that he will or will not give permits when application is made.

Mr. HOWE: The application is made on a form and the facts are examined by the appropriate officers. If the project is of any considerable size the applicant appears before the officers of the department and gives them any explanations they require. Then the facts are presented to me with a recommendation and a letter is issued accordingly, or approval is issued accordingly in the form of a letter. My hon. friend wants to know if it is binding. The man does not have to go through with his project because he gets approval and therefore it would not be binding on him. If a minister of the crown writes a letter, it is binding on the minister.

Mr. MACDONNELL (Muskoka-Ontario): I understood the minister to say earlier in answer to the hon. member for Lake Centre that at least one reason for his being hesitant about making regulations along the line which were suggested by the hon. member for Lake Centre and which seem to me to be absolutely sound was that it was still too soon to determine just how much currency could be allowed to this or that industry. If the minister is not sure, when project A comes in, that he will allocate so much to the steel industry or so much to the motorcar industry or so much to some other industry, how is he able to decide on the project? How is the man who is undertaking the project to know whether this is decided on some general principle, or whether it is just the absolutely uncontrolled decision of the minister, based upon no reason that anyone can hold the minister to?

Mr. HOWE: Perhaps he will not be able to decide that, but at least he will know whether he can go ahead.

Mr. MACDONNELL (Muskoka-Ontario): I imagine it is really a waste of time.

Mr. HOWE: I think so.

Mr. MACDONNELL (Muskoka-Ontario): But maybe it is time we have to waste. The minister is supremely uninterested, absolutely uninterested in the idea of people having rights. The minister laughs. I think the idea of rights is something that he considers rather ridiculous. Apparently his colleagues have given him this power. We have objected in this house to order in council government, but we have got away beyond that. We shall soon be looking back to the days of order in council government and thinking that that was a good time, that we had the judgment of at least a dozen men, some of them good men; but now we have only the judgment of one minister, even though he has a lot of portfolios.

We have not yet been able to interest the minister in our idea. I know very well the minister regards this house as being a tiresome place. He is bored when he has to come here to talk to us. He regards it as a waste of time and he shows that by his demeanour, I will not say never, but he seldom tries really to answer our questions in a way which will satisfy us, as some of his colleagues do. His whole attitude is that it is rather impertinent to ask questions. That is the impression I get. But I am going to ask this question and I am going to keep on asking it until the minister answers it.

Mr. HOWE: I understand that my hon. friend thinks it is the inherent right of any man to build anything he likes, provided that he has the money to pay for it.

Mr. MACDONNELL (Muskoka-Ontario): That is just a rhetorical answer.

Mr. HOWE: You asked me a rhetorical question.

Mr. MACDONNELL (Muskoka-Ontario): No, I did not. I recognize that we have got into strange times, partly due to the action of the government, if you like, but I will not emphasize that; I recognize that we have reached a point where we have to use some unusual expedients. All we are asking is that we have some remnant of the liberties under which we used to live. I think there are some ministers here who would like to leave us with some residue of those liberties, but, so far as the minister of reconstruction et cetera is concerned, I do not think he is interested in the idea.

I think we should stay here until we either get him interested or get somebody else interested. The hon. member for Lake Centre asked a reasonable and sensible question. He asked if there were any regulations, if there was anything anyone could appeal to. I put that up to the minister. He asked me if I thought any man in Canada could build anything he liked just of his own sweet will. That is not a serious contribution to the situation. All I am asking is whether there is something short of the minister's uncontrolled jurisdiction, whether there are some means whereby a man will have some rights other than those granted by the minister's sweet will.

Mr. HOWE: Now we are getting on common ground. I more than any man in this house believe that people should have the

widest possible freedom to spend their money as they like, and I have explained to the committee the difficulty of administering building control on that very ground. The present regulation has reference to only one view point. Is the project helpful either in earning more United States dollars or in saving United States dollars? That is the test. If it is a factory, what does the factory make? Is it something that can be exported? Is it likely to save dollars by avoiding an import? Is it likely to be convertible into an export? If it cannot meet two of these tests there is every reason why the project should not proceed. If it simply adds to the amenities of living the permit is not issued. If it simply adds somewhat to the comfort of the situation it is not likely to be issued. We have a larger capital expenditure program planned than this country can afford. It must be cut back. Its cut back is dependent on the value of the project in the present economic situation.

Mr. MACDONNELL (Muskoka-Ontario): I think that is a sensible explanation and we are getting on common ground at last. But I cannot believe that is the exclusive test, because the minister himself the other day said a thing that, I imagine, is correct. He said that, so far as individual items are concerned, if it is a replacement of a worn-out part, the permit would issue automatically. That is in contravention of what the minister has just said, because it would apply to any company whether producing United States dollars or not. There must be other regulations as well. That does not come within the four corners of what the minister said a moment ago.

Coming back to what the member for Lake Centre asked, we have asked repeatedly that the regulation shall be published so that people will have some knowledge of what their rights are. I do not think that is an unreasonable request. The minister is going to bring down tomorrow the regulations for the motorcar industry. That may give us a pattern which can be applied elsewhere.

Mr. HOWE: I think I explained earlier that we are drawing up regulations for industries as rapidly as we can; but, naturally, before publishing the regulations, we have to test them carefully. It might be all very well for some of our officers to sit in an ivory tower and plan regulations for a great industry having ramifications all across the country. Those regulations might look good here in Ottawa; but, until they are tested against the industry as a whole and the repercussions of their application are estimated, it would be dangerous to file them. It might do a great deal of unnecessary harm.

Mr. MERRITT: The minister said that the project will be approved according to whether it earns or saves United States dollars. For what period of time does the minister suggest that this test should be applied? Must it earn or save United States dollars within a matter of six months or a year, or is it five or ten years ahead, or something of that kind? Can the minister say what is in his mind now as to the period of time that will govern his judgment in making a decision?

Mr. HOWE: It must be obvious to my hon. friend that the time must be flexible. The last project I saw that came up for approval was a pulp mill on Vancouver island. It will not earn United States dollars for eighteen months, and yet it will contribute to the permanent solution of the problem we are tackling. I hope my hon. friend will not quote me now as saying that it must be eighteen months. If it is six weeks, so much the better.

Mr. MERRITT: We had made a little progress. We find that a project which might earn United States dollars in eighteen months will get a permit. Is the minister thinking further ahead, of long-term additions to capital expenditures on development of the country, whether or not they would save United States dollars? During this period of restrictions, will capital development be permitted only if it saves United States dollars, or might there not be circumstances under which an industry suitable to Canada, but which does not replace United States products, would be permitted to be constructed?

Mr. HOWE: If my hon. friend will mention one industry I shall try to give him an answer.

Mr. HATFIELD: Has this program not resulted in a shortage of United States refrigerators and boxcars coming into Canada which might have been used for the shipment of Canadian goods back to the United States, thereby securing United States dollars?

Mr. HOWE: Does my hon. friend want cars to ship potatoes?

Mr. HATFIELD: There used to be 1,000 cars a day come in from the United States loaded with fresh fruits and vegetables and other produce. Immediately this order went into effect, these cars stopped coming into Canada, which cut off our supply of cars for the shipment of Canadian goods back to the United States, thereby preventing the ship-

ment of Canadian goods across the line which would have brought in United States dollars.

Mr. HOWE: I would be very sorry to know there were shipments of Canadian goods which were not crossing the border because we had not the cars. I thought we had an ample number of cars for our shipments to the United States.

Mr. HATFIELD: I may inform the minister that there is a great shortage of cars, especially refrigerator cars which come up from the United States loaded with fresh fruits and vegetables. We used to ship back in those cars potatoes from Prince Edward Island, Nova Scotia, New Brunswick and probably Ontario, which brought in United States dollars. The same is true of boxcars. As soon as this order went into effect, the Canadian railways refused to allow their cars to go across to the United States, because they did not want them to come back empty. Only coal cars are coming in now from the United States, and they are not suitable for shipping Canadian goods such as newsprint, potatoes, pulpwood and many other goods which would have brought in United States dollars. As soon as this order went into effect, it created a great shortage of cars.

Mr. MERRITT: To refer to my earlier question, what about machinery for a sawmill or logging machinery imported from the United States for use in the lumber industry? These would not necessarily come in under permit for definite projects. It cannot be decided that the importation of any one of these articles is certain to produce more United States dollars. There must be a closer definition than the one he gave to the hon. member for Muskoka-Ontario; there must be a closer definition than the simple criteria. How is he to know whether the approval he gives earns more United States dollars than the money spent for the equipment?

Mr. HOWE: To my simple mind, if a lumber dealer wishes to bring in more machinery I would assume that that machinery would have the effect of increasing the exports of lumber from Canada, and thus be an earner of dollars; therefore I would give the permit. My hon. friend might have doubts, but I think that would be a reasonably clear case.

Mr. MERRITT: But surely a great deal of the lumber cut by such machinery would be consumed in Canada; a great deal more would go to the United Kingdom, and a great deal more to Australia, and the amount of lumber which that mill might send over to the United States might be negligible as compared with its total cut. Is that not a correct statement? The minister will know that as well as I.

Mr. HOWE: It might be reasonable to my hon. friend, but, as I say, the simple souls who administer this would say that lumber was for export, and therefore the importer of lumber machinery would come within the class of goods for which permits are issued.

Mr. MERRITT: Do I understand from that, for instance, that an unlimited number of lumber carriers would be allowed in? If the mill showed the minister that it needed these carriers in the ordinary course of its business, would permits issue automatically for these things, or is there some other restriction the minister has in mind that he might apply in the event that too many people applied for the importation of such goods?

Mr. HOWE: If the machinery was required it would be demonstrated that logging machinery was required, and if it was not available from a Canadian source the permit would issue. I will go that far dogmatically. I hope the hon. member will not cross-examine me too much on it.

Mr. FLEMING: After an experience of sitting in this House of Commons one does not expect to find consistency in the government; one does not expect to find consistency in their statements. For instance, in almost every debate in recent times in this house in which the government has taken a position of some kind or other, it has been possible to turn up speeches made by the present Prime Minister when he was leader of the opposition, in which precisely the opposite position was taken by him. In what we have heard tonight from the Minister of Trade and Commerce and others, we have just about a complete contradiction of the things that the same right hon. gentleman has previously said.

You recall, Mr. Chairman, April 1, 1946, in this house. You recall that the same right hon. gentleman made a statement of some importance at that time concerning building control in Canada. I am going to read you the statement in a moment, but, before I do so let me remind you what the minister has just said by way of justifying the pyramiding of a system of control throughout the length and breadth of Canada over these capital projects, pyramiding to an apex on top of which the Minister of Trade and Commerce is himself squarely perched.

This is one paragraph from the speech made by the right hon. gentleman on April 1, 1946. It will be found at page 411 of *Hansard* of 1946. He said:

During the war years, the Department of Munitions and Supply maintained a rigid con-

trol of construction for the purpose of providing material for the war. During that period our citizens accepted this control as necessary for the successful prosecution of the war and its regulations were observed. However, after the end of the war, construction control regulations were no longer observed to the same degree.

Mark these words if you will, Mr. Chairman:

It was recognized by the department that it was impossible to judge from Ottawa the essentiality of different projects and the local conditions which necessarily must govern each decision.

Just let me remind you of these words, Mr. Chairman:

It was recognized by the department that it was impossible to judge from Ottawa the essentiality of different projects . . .

The whole basis of the case put forward by the Minister of Trade and Commerce in asking parliament to vest him with these powers that might have made Mussolini swoon with envy is that he may be completely trusted to exercise these powers not only without favouritism but also with complete perspicacity, complete ability to judge what is essential and what is non-essential. One need do nothing more than to offer to the right hon. gentleman his own words that it is impossible to judge from Ottawa the essentiality of different projects.

Mr. ABBOTT: There was no simple test then as there is today, though.

Mr. FLEMING: No simple test then as there is today?

Mr. ABBOTT: That is right. The simple test today is whether it will get us United States dollars.

Mr. FLEMING: The Minister of Finance has not been following what I am saying. The minister's statement was not made during the war. This is the statement made by the Minister of Trade and Commerce, then the minister only of reconstruction and supply, on April 1, 1946, with reference to the situation which followed the war.

Mr. ABBOTT: I know.

Mr. FLEMING: In the first sentence he talked about the war. Then he goes on to say, now with the war over, it is impossible to judge from Ottawa the essentiality of building projects, and for that reason he abandons the construction controls which were the means he had in his power at that time for channeling into the construction of houses available supplies of building materials. He turned his back on that responsibility and said, the whole reason is this, we cannot tell from Ottawa what is essential and what is not; therefore we will withdraw from the field.

Mr. ABBOTT: We can tell from Ottawa whether a project will save United States dollars or not.

Mr. MERRITT: I bet you cannot.

Mr. FLEMING: What is the difference in essence between a national emergency arising out of a shortage of houses and a national emergency arising out of a shortage of United States dollars? The principle at stake here is precisely the same. If it was impossible in April, 1946, for the minister to judge the essentiality of building projects at Ottawa, just how much easier is it for him in February, 1948, to judge the essentiality of capital projects in the matter now before us.

All this talk we have had tonight about trustfully leaving to the minister and his judgment to decide what is good for the country and what is not simply does not hold water. The fact of the matter is that we are back to the same old situation from which we thought that democratic peoples had emerged several centuries ago, where justice was measured by the length of the chancellor's foot. In this case, apparently, the essentiality of measures of this kind, capital projects, is simply to be measured by the particular notion that the Minister of Trade and Commerce entertains at the time the particular application comes before him.

In what I am about to say I am not necessarily being unkind to the Minister of Trade and Commerce. Human nature being what it is, there is not a man, I do not care who he is, the minister of reconstruction or anybody else, who is so constituted, that, given powers of the scope and breadth of these powers which he is seeking in this bill, can dismiss from his mind all vestige of whim, caprice and favouritism when applications come before him. What is bad in this measure can be cured only if the minister is stripped of those dictatorial powers, and if what is necessary to meet an emergent situation is dealt with in terms of statutory provisions that cannot be applied otherwise than equally to all people, regardless of who they are.

The CHAIRMAN: Does the clause carry?

Mr. GREEN: May I ask the Minister of Trade and Commerce whether he is to have any control over projects which do not require United States material?

Mr. HOWE: No.

Mr. GREEN: It is clear that there is control only over projects which will require at least some United States material.

Mr. HOWE: How would the other projects come to me? Why would they come to me?

Mr. GREEN: Well, things, both good and bad, seem to have a way of coming to the minister. I was just wondering. I should like to ask the Minister of Finance a question. Last week there was some discussion with regard to the possibility of the government taking some steps to promote the purchase of goods in Canada, or from soft currency countries, to replace purchases from the United States. At that time the minister was not clear as to what steps the government was taking. Can he explain to the committee tonight what is being done along that line?

Mr. ABBOTT: The principal encouragement is, of course, the way in which the quota system is working. There is a decided incentive to Canadian importers to search for commodities and merchandise in soft currency markets, because the size of the quota is such that they can bring these in readily. There is no effective limitation of certain lines for the time being. Textiles is perhaps the outstanding example in that field, fresh fruits being another; and, as far as automobiles are concerned, I believe there is a fairly generous quota. I am told there have been continuous discussions with representatives of the United Kingdom, Australia and other soft currency areas to see what additional imports can be made available to Canada, and the trend is upwards, as the figures I gave this afternoon indicate. I am confident that this will be tremendously accelerated over the next two or three months, and we are particularly anxious that it should take place in textiles, which used to be a traditional export from the United Kingdom to Canada. For the past two or three years we have had to replace them with expensive textile imports from the United States. There is an indication that what I have indicated will be achieved.

Mr. GREEN: What about an effort being made to have Canadian goods purchased to take the place of goods prohibited from the United States? I have two of the minister's advertisements, and in neither is there any forthright suggestion that Canadians should endeavour to purchase Canadian goods. No emphasis is put on that.

Mr. ABBOTT: We have been urging that. Perhaps it would be desirable to advertise along those lines. The purpose of the advertisements to which my hon. friend refers was that they should be more in the nature of directives, that they should be informative.

[Mr. Green.]

I approved the copy myself. I wanted it to be non-controversial and not to be considered as propaganda for the particular policy, but we found from the letters that there was a considerable amount of misunderstanding as to where people should go for information, and just what the program covered. Therefore those two advertisements were put in the papers across the country, the intention being to clear up some of these misunderstandings. I have not decided whether to spend more money on that sort of thing. That decision has not been taken.

Mr. GREEN: The minister will agree that there is little indication of a change in the future whereby Great Britain will be able to supply us with United States dollars as she did before the war.

Mr. ABBOTT: But she can supply us with goods, which is just as effective.

Mr. GREEN: There is not much indication that in the near future there will be a drastic change in the present general position; and if we maintain these prohibitions against goods for a certain period and then lift the prohibitions, we shall be right back in the spot in which we now find ourselves. I suggest that some steps should be taken to reach a permanent solution of the problem, and one way would be to persuade the Canadian people to buy their own Canadian goods or goods from soft currency countries.

Mr. ABBOTT: We hope they will do that.

Mr. GREEN: There is one other question I should like to ask the two ministers. In one of these advertisements there is a picture of an oil drum, a coal scuttle, a bale of cotton and a steel rail, and it says: "To keep our industries humming, our living standard high, we need petroleum, coal, cotton, steel and similar essential things." I take it that these are the four products which are primarily responsible for our shortage of United States dollars.

Mr. ABBOTT: Those are the four products which we import in substantial quantities. Steel products of all kinds ran to something like $500 million last year. I am speaking from memory. Cotton runs to a large figure, and petroleum is something like $250 million or $260 million. These are tremendous items; they are all essential, and they have to be paid for in cash.

Mr. GREEN: Those are the four commodities which we purchase in the largest quantities from the United States?

Mr. ABBOTT: I think that is correct, yes.

Mr. GREEN: What plan has the government in mind to produce petroleum, coal and steel in Canada? I realize that we cannot produce cotton, but what plan has the government in mind to produce the other three items? I know, and I presume every other member in the house knows, that we have the potentialities for producing large quantities of each of these commodities, and this is the time there should be an all-out drive to produce them. I should like to know, therefore, what the government has in mind in regard to some such plan.

Mr. ABBOTT: No doubt the Minister of Trade and Commerce could answer that better than I can. So far as petroleum is concerned, that depends on discovery. There were fortunately some important discoveries of petroleum in the Leduc field south of Edmonton about a year ago. Active exploration is being carried on by a great many who are interested, large companies and others, to see where further supplies of petroleum are located in Canada. Steel production is being expanded. As my hon. friend knows, the steel company at Hamilton is expanding its strip mill and Algoma is expanding. That takes some time.

Mr. GREEN: What about iron production?

Mr. ABBOTT: I am afraid I have not much personal knowledge of that. We have all read, of course, of the explorations going on near the Labrador border, but some little time will elapse before the material will be available for active use in the steel industry. It would appear, however, to be quite an important discovery. All these things are going on. They will not solve the short-term problem, however, though they are of importance, as the hon. member has pointed out, in the permanent fundamental solution of the question.

Mr. GREEN: What about coal?

The CHAIRMAN: We are getting beyond the scope of the bill, which deals with restrictive measures and not constructive measures. I do not think the discussion we are having at the present time is relevant to clause 3.

Mr. GREEN: I am reading from the government's own advertisement with regard to the austerity program; we have to get at production of those commodities before we can get out of our present difficulty. I submit that both the minister and I are in order in discussing these commodities.

The CHAIRMAN: In my opinion, both hon. gentlemen are out of order at the moment. The hon. member for Vancouver South is dealing with another program, a constructive program, and the minister has replied. I think the committee must deal with the bill which is before us at the present time, the Emergency Exchange Conservation Act, which deals with restrictive measures entirely.

Mr. MacNICOL: Would not the question raised by the hon. member for Vancouver South relate to exchange; for instance, coal of which we import a large tonnage? We have to pay for that in United States currency. Does that not come under the problem of exchange?

The CHAIRMAN: The hon. member could deal with permits respecting the importation of United States coal.

Mr. MacNICOL: At the moment in Toronto, on Yonge street, in the store of A. Welch and Son there is a demonstration being shown to the public in the burning of Alberta coal.

The CHAIRMAN: I do not think that is in order at the moment. The hon. member will have plenty of opportunity to discuss that question.

Mr. JACKMAN: I wish to make one or two observations and to ask some questions. When we impose controls we seldom know where there will be repercussions, and I think it should be brought forcibly to the attention, not only of the committee but of the people generally, that we find as a result of these controls, as my colleague, the hon. member for Victoria-Carleton pointed out a shortage of freight cars coming into the maritime provinces from the United States to take back certain vegetables grown there. The Canadian railways do not want to send their cars loaded with Canadian produce to the United States, because they do not know what, if anything, will come back in that type of car; and the Americans are just not sending up as much by way of railway freight as formerly. So there is a shortage of cars, something that the government could hardly have been expected to think of.

The hon. member for Vancouver South asked the minister of reconstruction if permits were required only for imported materials which would be used in construction. That is clearly the case. May I just ask for some opinion from either one of the ministers on the effect on the price of certain construction projects in this country. If I may call them that, when you have certain domestic supply, let us say of steel for construction or of machinery, and the excess requirements which we do not pro-

duce in our own country we import from the United States. In order to save the trouble of going to the minister and getting a permit, you naturally try to get your requirements in the domestic market, and surely the temptation is to bid up for quick delivery and avoid the uncertainty, and difficulty of going to the minister. Therefore I should think another reaction we shall have from these controls, particularly in the capital goods industry and under schedule III of this bill, is that we shall find an increase in price, because it is more convenient, if you have the money, to pay more and avoid going to the ministers for a permit.

I have a question of a more general nature which I should like to direct to the Minister of Trade and Commerce. Will he expand on those general principles which guide him in giving an O.K. or refusal to applications? He said as he has said before in this house, that the principle was whether or not an application would save United States exchange or produce United States exchange. I tried to call to mind the things which would be the subject matter of applications and, in view of the fact that our economy is so closely integrated with the United States economy, I wondered just what we would import or what would be the subject for the application for exchange that would not either create United States exchange because we would export something made by the machinery we got in, or would not save us United States exchange? What is there in our own economy here that we cannot, by way of substitution, get from the United States, or what do we make in our own country that we cannot send to the United States? I wonder just how this rule is to be applied as a sound rule, and it is the substance of this whole measure. It seems to me to be broad in its application. I confess that I have had of course, no experience with applications. The minister may have had sufficient, though, to give the committee a little more information. I think the general opinion throughout the committee is that we are putting a tremendous amount of power in the hands of one or two men, a power which we do not like to see in their hands, particularly in peacetime when we should be able to get along and still preserve all our fundamental rights. So I would ask him to elaborate on that matter.

I should also like to ask how much exchange we are expecting to save altogether. As I recall it, it was $300 million under consumers goods and $200 million under producers goods, or about $500 million in all. That figure was certainly given press publicity; whether or not it had any authenticated source, I do not know. We know that we are running behind on United States exchange by about $1,000 million a year.

Mr. ABBOTT: We were.

Mr. JACKMAN: We were. It may be that they are stopping the flood which was due to the fact that we over-indulged ourselves during the summer months and in the fall; however, time alone will tell. But $500 million is not as much as we should like to save if we are to balance the account and perhaps restore the surplus of $1,500 million that we had a year ago of United States exchange in gold. So, in the absence of rules under this bill, and no business knowing whether or not it is to be put out of commission in order to save more exchange, I feel that the government should give all the information possible and try to give some indication of whether or not we are to be faced with further austerity. The Minister of Finance may well say that it depends on just how the exchange balance is during the next few months. I think it would be interesting for the businessmen to know whether or not they are in a business—and I am thinking particularly of the importing business—which might be blitzed, because further austerity measures are necessary in order to bring about some financial balance.

Just to close my remarks, I should like to make a suggestion to one minister, and perhaps to both of them, particularly with regard to schedule III: It is that whenever a decision is made, it should be published; that a body of laws or a body of rules—call them administrative rules if you like—should be published, so that the Canadian businessmen who have to make these applications will know how other cases have been dealt with, will know if their case is on all fours or on three legs only with a case which has been decided, and will be able to tell approximately what to expect. It will also be a useful guide, if I may say so, to the minister himself, because he will have his previous decisions before him; he will have the reasons for having decided thus and so; it should simplify his judgments for him, just as for a court of law which relies on precedents in order to make its judgments. If this power is taken by the government—an unprecedented power of great magnitude, and one which we all are sorry to see them take, even if it is necessary—I hope that they will publish their decisions and give a brief statement of the facts. As the Minister of Finance will recall, at the head of the report of a legal case there is a brief review of the facts, a few paragraphs, and then the decision.

I suggest that the same procedure be followed here so that there will be some guide, some check and some precedent for the public to follow, by which their actions may be guided.

Mr. McLURE: On this matter of permits and controls I should like to ask one question which has been put up to me by several manufacturers in this country. It is this. Will Canadian-owned goods now being processed in the United States require a permit to bring them back to manufacturers in Canada?

Mr. ABBOTT: I am told that some manufacturers can get an export permit to export steel, have it processed in the United States and bring it back into Canada again through the customs. Although it may be on the prohibited list, they will get an export permit to have it sent to the United States to be processed, and brought back in here in a finished state.

Mr. McLURE: I might cite just one item that is owned by the government, namely, 11,000 or 12,000 fur seal skins. They are now being processed in the United States. I cannot find in any of the schedules where a permit has to be issued to bring those back to be manufactured in Canada. The Canadian manufacturers are anxious to find out whether they can bring those back in.

Mr. ABBOTT: I shall take note of my hon. friend's remarks. I believe it is under consideration at the present time.

Mr. MacNICOL: I should like to ask a question with reference to the bringing in of machinery. I have had information from certain firms respecting job sawmill machinery required for the keeping of sawmill saws in order. Up to the present time they have been unable to get permits, owing to their not being ready. Is there some reason why the permits are not ready? If so, when will they be ready for the admission of such machinery? It is quite an inconvenience to these people.

Mr. HOWE: When do they want to bring in saws? They can bring in all the saws they like at the present time.

Mr. MacNICOL: Not saws; machinery for the sharpening of saws.

Mr. HOWE: They can bring that in too at the present time.

Mr. HATFIELD: Are permits being issued for the importation of green vegetables from the United States?

Mr. ABBOTT: Cabbage only.

Mr. HATFIELD: None for lettuce?

Mr. ABBOTT: No.

Mr. WARREN: Cabbage is good enough.

Mr. CASE: By the terms of the bill before us I am convinced—and I believe this must be in the minds of hon. members generally—that this is a great step toward departing from democratic government. I have listened to the questions asked and the answers given, and I am just about as confused now as are those who have been giving the answers. No one knows exactly what we are heading for, although it has been suggested that we are heading for a dictatorship. We have the whole framework right here, sufficient completely to wreck our own democratic system.

This just did not happen overnight. We have had, during the course of this debate, sufficient evidence to prove where the government made its fatal error. On July 5, 1946, the then minister of finance placed an artificial value on the Canadian dollar. That was the date when the natural flow of goods between nations was prevented.

The CHAIRMAN: Order.

Mr. CASE: What I am saying has a direct bearing on the bill.

The CHAIRMAN: As the hon. member says, it has a direct bearing on the bill, but not on the principle of the bill.

Mr. CASE: We are discussing import controls.

The CHAIRMAN: Order. The principle of the bill has already been accepted. We are now dealing with section 3, and the discussion must be related directly to that section. I would ask the hon. member not to proceed with a discussion of the principle of the bill.

Mr. CASE: If we are to confine ourselves to section 3, then I still say that we are delegating to the minister extraordinary powers which he will have great difficulty in administering fairly. I think that can be said, in fairness to the minister himself.

How are people to plan any project, when they have to come to Ottawa to find out what the score is. There exists a terrific state of confusion, which all results from the fact that the government is interfering with the natural process of regulating trade and commerce. One simple method of avoiding all this was already in existence.

What yardstick is the minister to use when he must determine whether or not a permit is to be granted, when he must determine that a permit is to be revoked, or that a person who is in possession of a permit cannot dispose of his business and his permit as well? He has no equity in the permit, according to the terms of the bill. So what method can any businessman employ to determine how best he can carry on and make a contribution of

United States dollars—and that would appear to be the purpose of the bill? That man has no security in the bill, except at the pleasure of the minister—one man. What method does the minister propose to employ to determine what course shall be pursued?

Mr. HOWE: It is so easy for a businessman to put his problem before the department and to obtain a ruling, that I suggest it would be much easier to do that than for me to answer a theoretical or hypothetical question on the floor of the house. I do not know just how to answer the hon. member's question.

Mr. STEPHENSON: I should like to ask a question arising out of a statement made by the Minister of Trade and Commerce. He said that so far as building or construction projects were concerned, those responsible for building the projects would be told to use Queenston limestone instead of Indiana limestone. If the minister is going to say to construction companies that they must use Queenston limestone instead of that from Indiana, the Queenston quarries might not be in a position to supply the required amount of limestone. It might take years to reach a position where it could be supplied in quantity.

I asked the Minister of Finance a question a few days ago, but he did not answer it. I ask it again. Are these suppliers to be given no security? If they expand so as to build up a big business in an effort to supply limestone for these projects, they might find that these restrictions would be taken off overnight, and a company which has spent huge sums of money to expand might be swamped. Can not the government say to the producers and to the manufacturers of Canada how long these restrictions may last. It is important that this question should be answered. It is a question I am sure private members who are supporting the government as well as the members of the opposition would like to have answered if they have factories and producers of goods in their own constituencies.

I am wondering if the government are not finding themselves in this position, that the government having agreed to the terms of the Geneva trade agreement for freer trade, this bill setting out restrictions is just the opposite; the two courses of action are counter to each other? In the terms of the Geneva conference we have agreed to freer trade; yet the government is now in a position where it is putting on restrictions. For that reason the government will not say to the people of Canada, "This will be in force for six months" —or two years or ten years, as the case may be. I think it is important to every member of parliament and to the people of Canada as a whole to know how long this program will be in effect, in order that they may make provision to take care of short supply. If they do build up a business they should know that they will not be wiped out again by the lifting of restrictions. Surely the question I have asked is a reasonable one.

[Mr. Case.]

Mr. HOWE: It illustrates the difficulty of answering a hypothetical question. I used Queenston limestone as compared with Indiana limestone as an example. The saving of United States dollars would not be great, because neither Indiana nor Queenston limestone is used in such large quantities. So, for that reason, the hon. member has me in a somewhat awkward situation.

However, I would say this, that I think any business which expands to take care of the immediate situation, thinking that it will last more than a year or two, is making an unwise investment. I hope it will not do that. Unless an industry is expanding on a basis that will survive under normal conditions, it would be unwise to expand.

Mr. STEPHENSON: The Minister of Finance says that this is not a protectionist policy, that it is an emergency policy. I agree in principle that the government is adopting a program which should have been adopted in this country twenty years ago. I know the government will not adopt a conservation policy because the Conservatives have advocated such a policy. I believe that if a policy of this kind had been inaugurated twenty years ago we would have built up industries in this country, thereby creating employment and preventing the exodus of our people to the United States. If we had in Canada a conservation program we could process our own natural resources, instead of just trying to preserve United States currency spent for imports, and we would be doing something constructive for Canada.

Mr. GRAYDON: Hon. members have been waiting patiently for some announcement from the government, because in previous times when the people in other parts of the country have spoken the government has made announcements with respect to by-elections. I wonder if the spokesman for the government would give us the results in Huron?

Mr. MARTIN: They cut down the majority greatly.

Mr. HATFIELD: How many extra customs officers will have to be appointed under this bill?

Mr. ABBOTT: I have not the figures at the moment. Perhaps the Minister of National Revenue could give that information later on.

Mr. SKEY: Getting back to the point raised by the hon. member for Durham with regard to industry, I should like to ask the Minister of Trade and Commerce a particular question having to do with importers. I have had an inquiry from a company which is in position to build up a business in Canada in mirrors. They have spent some money on capital goods, and then to their surprise they find that their place in the schedule has been changed and that mirrors are being imported from the United States. They are afraid that their capital expenditures will be a loss. The first definite guidance we have had was when the minister spoke a moment ago and said that he hoped new industries would not be built up as a result of these restrictions and embargoes. Could the minister elaborate on that statement and let the committee know whether it applies to all categories of industry and whether it is his policy not to build up Canadian industry behind tariff barriers?

Mr. HOWE: I have read in the papers about doing it with mirrors, but I do not understand what my hon. friend is doing with mirrors. The principle is simply this. If an industry wishes to establish itself in Canada; if it is one which in normal times would be able to operate profitably; if it is an industry which will assist in building up exports or in conserving United States dollars, it will be welcomed. But if it is an industry being built up simply to take advantage of the temporary prohibitions, it will not be welcomed. For instance, if someone wants to come in here and build refrigerators in Canada for no other reason than that the importation of refrigerators is temporarily banned, that industry will not be welcomed. If we recognize it for what it is, it will not be permitted.

Mr. SKEY: The minister says "come in." This is the case of a Canadian company wanting to expand into new lines. They admit frankly that they cannot compete with large producers in the United States who can export to Canada over the tariff barriers.

Mr. LOCKHART: I just want to follow up the argument advanced by the minister in connection with the development of industry. He is warning against it. A great deal of coping, window frames, door frames and that sort of thing has been imported from Ohio and Indiana. Many buildings are finished with that type of finish. The Queenston limestone plant has been in existence for a long time.

Mr. HOWE: I am sorry I mentioned it.

Mr. LOCKHART: You have mentioned austerity and there are a lot of things you are going to be sorry over before we are through. Queenston limestone is a marvellous stone, but it is about four times as difficult to mill as other limestone because it is so much harder.

Mr. HOWE: I advise you not to buy it.

Mr. LOCKHART: You have to have coping and trim of all kinds, even in new structures. I wanted to take up this matter privately with the minister. Some new construction was being considered and the first thing asked about was the use of Indiana limestone. I told them that it looked as though they would have to use Queenston stone, which would cost them more money. What is the position of the Queenston quarries so far as going ahead and stimulating production is concerned? In the face of what the minister said tonight, they will be right back in a short time to where they were before. The inconsistency of his statement is apparent on its face. I cannot see where the minister's argument holds at all.

Mr. HOWE: It is nice of you to do the worrying for the Queenston quarry.

Mr. LOCKHART: It is not just the Queenston quarry I am worrying about; it is that the principle behind this thing is all wrong and I just want to point that out to the minister.

Mr. FLEMING: There is one matter that has been discussed recently in this house with some fervor on the other side, namely, beneficial results of publicity being shed on transactions of a certain kind. I wish we could discern in the remarks of the ministers the same zeal for publicity with respect to government business and policy under this act as they have shown in connection with publicity in the affairs of others.

What assurance have we under this bill that favouritism will not be exercised in its administration? The Minister of Trade and Commerce says that we can trust him, but that is not a good enough answer. There is nothing in this bill that says there shall be a statement given to the public as to what permits are granted, what permits are denied and what things are permitted to be brought in by way of permit.

Mr. BERTRAND (Laurier): I should think, Mr. Chairman, that the question is out of order because it does not pertain to section 3.

Mr. FLEMING: We are dealing with permits under section 3, and there is the clearest provision there that:

No person shall import or attempt to import into Canada any goods listed or of the classes described in schedules I, II or III except in accordance with a permit issued by the minister.

I do not like the system set up by the bill, and section 3 is the core of the bill. I would think the minister should be very glad to improve his measure somewhat by at least giving us assurance in statutory form that star chamber methods will not be practised in the administration of this measure. What is there in the bill that gives any assurance to the public that everybody is to be treated alike, that all persons who come or send to Ottawa for permits will receive equal treatment of their application on their merits? There is nothing in the bill which says the minister shall give any publicity to whatever he does under it. When it comes to reports to parliament—and this is what the Postmaster General had in mind—section 9 provides:

The minister shall lay before parliament, within fifteen days after the commencement of each session thereof, a report on the administration of this act during the preceding fiscal year.

That means that the minister can go ahead for the whole of 1948 without having to make a report to anybody—not until fifteen days after the commencement of the 1949 session. In the meantime, permits could have been granted to one and denied to another in equal circumstances and the public would know nothing about it. That situation is not one that can be tolerated by any democratic parliament in the twentieth century. Methods of that kind we thought were discarded three hundred years ago. Where do we get any assurance in this bill that it is not just a case of star chamber methods that are to be practised with respect to applications under the bill? It is time we had some assurance from the government, not that the affairs of individuals shall be disclosed to the public, but that there will be published regularly, at short intervals, statements with respect to the commodities imported under permit, so that the public can have some idea of what is going on under the bill when it is passed, and have the assurance that the full benefit of publicity is being cast upon the administration of the measure with respect to the issuing of permits and that it is not being used to cover up favouritism.

Mr. ABBOTT: I have already answered that question several times. After most careful consideration, it was felt that in the case of capital goods the only system which could be made to work was a permit system, and that involves the exercise of discretion. Under the quota system, that is done automatically. The government may determine from time to time what the base period may be and the percentage of imports during the base period, but that applies right across the board. As to capital goods under schedule III, reflection will show that by its very nature, this does not lend itself to any general rule which would be applicable in all cases. It has been indicated that in certain categories there will be regulations—the automobile industry is one—and so far as possible that will be done. But there are bound to be a great many cases in which there will have to be an exercise of discretion. Suppose some newspaper decides that it must have a large new printing press. You cannot lay down a general rule for that. Permission will be given or refused upon the merits. If some other way could be found no one would be more relieved than the members of the government, but our dollar situation is such that we cannot continue to allow the uncontrolled import of capital goods into this country from the United States.

Mr. FLEMING: If there is any justification for the permit system, then surely, there must be the need for publicity and no reason why full publicity should not be given to the granting of permits.

Mr. ABBOTT: I cannot see any objection to publicity. I do not know just what my hon. friend has in mind—monthly reports or something of that kind. I think it might be possible.

Mr. HOWE: We were looking into the question of permits and under one item alone, 427a, the basket machinery item, we estimated that some 15,000 permits would be issued. If my hon. friend wants all those published I will arrange for it if he will pay for the cost of publication.

Mr. FLEMING: The minister is treating the committee with his customary levity and derision. I do not suggest that every permit should be published, or that the private affairs of individuals should be disclosed, but there should be disclosure of the capital goods that are permitted to enter. It should not require too much ingenuity or labour on the part of government officials to make reports on what capital goods are being admitted. That would give people who are interested in that type of goods an opportunity to know whether they were being treated the same as the next man. I was very glad to hear the Minister of Finance say that he would take the suggestion of publicity into consideration, because I think it

is highly desirable that the public and the house should be reassured by some measure of that kind such as regular reports.

Mr. ABBOTT: I do not think any reports that could be published would demonstrate that everyone was receiving exactly the same treatment. You could give figures as to the categories of goods brought in and the permits issued, but the man who was refused a permit might still wonder why he was not getting the same treatment as the other fellow.

Mr. FLEMING: Should he not have something by way of information to go on? For instance, if he sees that other people are getting permits for importations under the basket machinery item while he is refused a permit, he will ask why permits are being granted to others and not to him.

Mr. HOWE: It all depends on what they are using the machinery for.

Mr. SKEY: The minister mentioned 15,000 permits under the basket machinery item. Can he give the committee any idea as to how many permits will be issued altogether for all the items?

Mr. HOWE: I gave one estimate because I happened to know that item.

Mr. SKEY: If it is 15,000 for one item, it is probably half a million for the lot.

Mr. HOWE: Not that many.

Mr. SKEY: How many would the minister say?

Mr. HOWE: It might be 25,000.

Mr. SKEY: And 15,000 under one item alone?

Mr. HOWE: I do not know and neither does my hon. friend, so why pursue this further? I was just giving a general idea.

Mr. SKEY: It is strange that the minister could make an estimate in regard to one item but has no idea how many permits will be requird in another item. I think the committee is entitled to a little more information. If he has to hire a staff of two or three thousand people to pass on these items it may require months to get an item through. If that happens, the whole business will be held up while his small staff struggle to cope with the flood of requests for permits. I think the minister should give the committee some idea.

Mr. HOWE: Twenty-five thousand permits a month would be a fair idea.

Mr. JACKMAN: This matter of reports of what the minister does is of the utmost importance to the country. As I have said before, the minister is arrogating to himself tremendous power, the power of life and death over a great deal of Canadian industry. It is an important matter, and if it costs a bit of money to publish the information about the decisions I do not think the committee will have any objection to it. Surely the Minister of Finance, who is familiar with reports, understands what it is that I am after and what a good many other hon. members have in mind. All legal cases are not reported. The 15,000 county court cases or the 25,000 division court cases are not reported. Nobody is interested in them because the principles are well laid down. But on cases which make law, important cases, someone makes a digest of them consisting of three or four paragraphs; it may be a couple of pages if it is very difficult, and that information is given to the public. If a summary were made of the decisions it would give the people who are applying for these import licences some idea of just what the government has in mind when it is applying this one simple principle, does it earn or does it save United States exchange? The principle is so simple that the minister said, in reply to my colleague, the hon. member for Eglinton, it could readily be administered from Ottawa; whereas the deciding of whether or not a particular piece of building construction in some other part of Canada could not be decided from Ottawa.

This is a relatively simple matter. The object is very simple. There will be a few hard cases, undoubtedly, until we get a body of principles. If it is to be such an important matter to Canadian business, we must know what the law on this principle is. It will not go to rest in the mind of the minister and have my support in this house, and I do not think it will have the support of many others on this side of the house, if the minister is to have the matter in his own control and discretion and we are not even permitted to know after the event, much less before.

Mr. MERRITT: I do not think we have got very far this evening in finding out how this principle is to be administered. Even at the cost of repetition, we might well pursue it farther. As I understand the situation, at the present time we have a very simple principle, whether it earns or saves United States dollars. If one may judge from some of the answers the minister has given, the principle is so simple it is like a sieve; anything will go through it and it is not a safe principle to work on at all. The minister himself will not be able to pass judgment in his own mind just on that one principle; otherwise it would be

impossible for him to do more than guess whether a thing would earn or save United States dollars. In practice, he will have to formulate a series of sub-principles or sub-classifications under which goods will be allowed in.

I want to ask him this question. Is it to be: first come, first served? Suppose, for instance, the minister were to make up his mind that the over-all quota for capital goods was $750 million in a year. The first lot of applications comes along, and he approves up to $750 million on the basis that these goods are going to earn or save United States dollars. Then someone else comes along with another project which, in the minister's opinion, will earn or save more United States dollars than one of the schemes he has already approved. Will he then cancel one of the earlier ones to which he has given approval and thereby enable this greater saving to be made, or will he stick to what he has already done and force Canada to do without the project which would have saved more dollars than what he has already approved? Can the minister comment on that?

Mr. HOWE: My hon. friend asked a long question based on a hypothetical theory, the theory being that we are going to say we shall spend $600 million and no more. We are not going to do that; therefore the whole question falls to the ground.

Mr. MERRITT: I am, of course, not satisfied with that answer at all, and I shall wait here until I get an answer to the question. I shall ask my question in two parts, so that the minister can understand it. The minister was not listening before—

Mr. HOWE: I listened to it.

Mr. MERRITT: The first question I shall ask is this. Is it a question of first come, first served, and those who come after the over-all quota has been used up are out of luck, regardless of how useful their scheme is?

Mr. HOWE: That question falls to the ground because, as I have explained before, there is no over-all quota. If we can get a great many products that will produce substantial quotas of United States exchange we shall be glad to take them.

Mr. MACDONNELL (Muskoka-Ontario): Then the whole thing is a grand guess.

Mr. MERRITT: In that case why have the schedule at all?

Mr. HOWE: Why have this debate at all? I cannot imagine why my hon. friend rose in his place.

[Mr. Merritt.]

Mr. MERRITT: We are in this position now. The minister has said that any capital goods project will be permitted. That is the sum and substance of what he said, because the test he applied in an earlier question I asked was ridiculous. In the case of many capital goods, he cannot tell whether they will be used to manufacture goods which will go into the United States or will take the place of goods we would otherwise import. They may all go to soft currency countries. There is no way in which he can tell that; therefore if his answer is that he has no over-all limit, and, so far as I can see, the whole thing falls to the ground completely. Is the minister not really in this position, that any capital goods which will increase the production of goods in Canada he will approve. Is that not the case?

Mr. HOWE: No.

Mr. MERRITT: Will the minister give an example? He has been asking us for examples. He must have some knowledge of these things. Will he give us an example of the capital goods which he will not approve?

Mr. HOWE: If a man wanted to build a factory to make billiard tables, for instance, I would say no, we do not want that business.

Mr. MERRITT: Then the minister is putting it on the basis of luxury goods, apparently.

Mr. HOWE: You asked me to name one and I named one.

Mr. MERRITT: I am speaking of a classification. The minister will not allow a Canadian to manufacture luxury goods—

Mr. HOWE: Why not class billiard tables as sporting goods as well as luxury goods? My hon. friend is really putting on a very silly performance. I enjoy it, but it has taken a good deal of time.

Mr. MERRITT: I shall have to take my chance on whether it is a silly performance or not. We may get somewhere this way. Has the minister made any attempt or have his officials made any attempt to classify these capital goods as a guide to the exercise of his discretion?

Mr. HOWE: No.

Mr. MERRITT: He has made no attempt, then. I think that answer is a pretty good exhibition of what we are getting in this bill. The Minister of Finance said earlier it would be very difficult and almost impossible to make this classification.

Mr. ABBOTT: It is a matter of appreciation of the facts in individual cases. Surely that is self-evident.

Mr. MERRITT: It is quite apparent from what the Minister of Trade and Commerce has just said that the government has made no attempt to bring out a list of regulations which would be a guide to themselves and to Canadian businessmen as to what goods should or should not be imported. It is one thing to say that it is impossible; it is another thing to say they have not made an attempt to do so. I submit that before this committee approves a section of this kind, giving these arbitrary powers which we have talked of so much, at least the government, if they still pretend to have any respect for parliamentary institutions, should attempt to produce a statute which is in line with previous parliamentary practice. If they had come in and said that they had tried and failed and that this was a great emergency condition, we might be more disposed towards this scheme. But when they come and say they have not even tried, then I think an attempt should be made before we approve the section. I wonder if the minister will answer this question. Has he made any attempt, since he cannot codify those things he will let in, to codify those things he will not let in?

Mr. HOWE: That is the opposite of the other.

Mr. MERRITT: Would it not be a shorter list, the ones he will not let in?

Mr. HOWE: I do not know.

Mr. MERRITT: You do not know. The great mind has not been exercised. The Minister of Trade and Commerce is a man who has been resourceful in everything for the past seven or eight years. I should think that if he would exert himself and set the great mind in motion he might produce something which would satisfy the members of the committee. I do not like this situation where no attempt is made to bring into the house a bill which would accord with proper parliamentary practice.

Mr. MACDONNELL (Muskoka-Ontario): I think this is an unedifying and, in a way, a rather humiliating proceeding. I do not think we are an unreasonable lot of people over here. We have been asking for information and, as far as the minister of reconstruction is concerned, with the exception of one brief interlude when he has tried to help us, he has been in the highest degree unco-operative.

I think section 3 should stand over because, in any event, the minister of reconstruction has to bring in information which he should have had here tonight. He says he will bring it in tomorrow. Second, I hope the Minister of Finance will consider the point brought up with regard to the word "revoke". If he will not consider the point, we shall have something more to say about it.

In the third place, I want to add to the point made by the hon. member for Vancouver-Burrard. We are not suggesting that there must not be discretion. We recognize that there must be. But what is being done is, in effect, appointing a committee with no terms of reference. We are asked to vote for this absolutely blindly, without any restriction, although I would point out that the bill itself does not contemplate that. In section 5 it is provided that the governor in council may make regulations governing the issue of permits for the import of goods listed in schedule III. I presume the order in council will not be merely a statement that the minister of reconstruction shall issue what permits he likes. I should hope it would not be that, and it is highly reasonable that we should ask now, before voting for this section, remembering always that this is an extraordinary invasion of our rights, that some attempt should be made, as apparently it has not yet been made, to lay down at least certain principles. As a matter of fact, some of the things the minister says tonight make one feel that there has been no attempt at all. I do not think that is quite true, because on the other hand he has told us that there have been regulations, though we do not know what they are like, in the automobile industry. If there have been, I see no reason why there cannot be framed certain general regulations, the principle of which would be effective in other cases.

I am suggesting, therefore, that this section be stood over. If the minister will not accept my suggestion I shall regret it. If he says it cannot be done tomorrow, I see no reason why the bill should not stand over another day. We are well within our rights in asking that an attempt be made to have at least the terms of reference or something equivalent to that. I therefore suggest that section 3 be stood over for the reasons I have given.

Mr. ABBOTT: There is no desire to rush the section through if anyone wants to discuss it, but I may as well say now that I do not think it will be possible to give to the committee the full regulations which will have to be prepared and drawn up under the enabling powers contained in section 5.

Mr. MACDONNELL (Muskoka-Ontario): I do not want the minister to make me look unreasonable and dogmatic. The minister speaks of the full regulations which will be needed in order to make it operative. I do not think I said that. I said, some general principle. I used the words, "terms of reference", something in the nature of a guide of some kind, which up to the present time we have not had. At present we are asked to sign a blank cheque.

Mr. ABBOTT: There is a fairly good guide in schedules I and II. Schedule I is a straight prohibition and schedule II is the quota. It is true that the regulations will establish the base period. It is now done under the existing order in council, and it will establish the percentage of imports during that base period. That is automatic. That is the principle, so that the discussion this evening is related almost entirely to the individual permits, if I may so describe them, under schedule III.

Mr. MACDONNELL (Muskoka-Ontario): I agree.

Mr. ABBOTT: Literally they will be legion. You may have groups like the automobile industry, where regulations can be drawn up, laying down a principle. But so far as the rest of the schedule is concerned, it must be essentially a matter of the exercise of discretion by the minister. I am fully aware of the objectionable features of that, and the discretion must be exercised in this way, that it involves the appreciation of facts in a great many individual cases. I think the Minister of Trade and Commerce will agree with me that in categories where one can lay down general principles, such as the automobile industry, which is a good example, regulations can be adopted and made public so that everyone can know them. But I am certain that, after all that is done, when one has examined a number of industries where that can be done, there will be a large residuum of cases where you simply cannot lay down a general principle, and there will have to be an exercise of discretion. I am almost sure that will be the case.

We gave a tremendous amount of thought to this matter when the legislation was contemplated and, as I believe I said before, we reluctantly came to the conclusion that the only way in which schedule II could be made to work would be under the permit system. That, I know is a general explanation.

Mr. MACDONNELL (Muskoka-Ontario): The minister has conceded, I think, a good deal of what I said. I do not disagree with his statement that there will be many that cannot be brought within a definite rule. On the other hand, he has agreed that there may be a great many that can. What I complain about is that, so far as I can see, except in the case of the automobile industry, no attempt at all has been made to do it. I see no reason why we should be asked to vote on this section until that attempt has been made. If it was even the case that the minister was coming in and saying, "Look, we tried to draft these things and found we could not do it", that would be something. But we are not even in that position. We are told that in the automobile industry that has been done. We are to see that. A moment ago the minister suggested, if I understood him correctly, that in other large and important areas it might be done. We are asking to have that done; that is to say, we are asking to have whatever can be given in the way of a general yardstick or of general rules. We do not intend to be unreasonable and say that you have to dot your i's and cross your t's; but, as I said a moment ago, at the present time we are being asked to sign a blank cheque. There has been no attempt to do what we are asking. I must say frankly that what has been done so far has not been wholly reassuring because, according to the figures I have, the minister's statement with regard to the automobile industry is wrong. Tomorrow it may turn out that my figures are wrong, but I do not think so. Therefore it is not reassuring to go ahead and sign this blank cheque at the moment.

Mr. ABBOTT: On this particular section, I do not know that one can give much more information than has already been given. It enunciates the general principle that imports require a permit when they come from certain areas. There is no trouble with regard to schedules I and II.

Mr. MACDONNELL (Muskoka-Ontario): I do not think there is any trouble there.

Mr. ABBOTT: As I said before, one must freely admit that under schedule III there must be a wide measure of discretion. The situation at the present time is that no permits in fact are being required for the capital goods group, and they will not be required until March 1. That delay is in order to work out a good deal of this detail which I think my hon. friend is perhaps referring to—to look into such cases as that of the automobile industry and some of these others and see what the regulations will have to be for the exercise of the discretion which must be exercised in

connection with these schedule III cases. But at the moment individual permits are not required.

Mr. MACDONNELL (Muskoka-Ontario): I am coming back to my point. The minister has not yet said anything which makes me feel that even he thinks my request is unreasonable. My request is for what general rules there are that can be laid down. There are some. Perhaps when we get the regulations in the motorcar industry the thing may look a little bit clearer.

I wish to ask one other question here. The minister says that no permits are required until March 1. Is it not correct that, while that is no doubt strictly true, in fact have not people been warned that they must watch their step with regard to any undertaking they are contemplating now just as if the regulations were in effect? In other words, are the regulations not, to all intents and purposes, in effect in respect of any work which people are taking up now which requires imports from the United States? Will the minister say if that is correct?

Mr. HOWE: It has been announced publicly, over the radio and in various statements in this house, that if anyone is contemplating a project which requires imports over a considerable period of time, particularly after March 1 next, he would be wise to have his project approved and to make sure in advance that he will be permitted to import from across the line the materials which he requires.

Mr. MANROSS: Which minister has charge of issuing the permits under schedule I? Is it the Minister of Trade and Commerce or the Minister of Finance?

Mr. ABBOTT: I have.

Mr. PEARKES: The agility of my younger friends enables them to rise to their feet more rapidly than I am able to do, but I had intended to ask a simple question. What happens when goods arrive here which are in schedule I and are not permitted to enter? I have a simple example. It is in connection with a small shipment of goods ordered from Scotland last summer. Two days after the issue of these orders or prohibitions, they sailed from Scotland, passed through the Panama canal and have now arrived at Victoria. They are being held at the customs at Victoria. They are urgently required by the firm which ordered them. They are of no use to anybody else, because the firm's name is stamped on the packages. Are they to be thrown into the sea?

Mr. ABBOTT: No. On the facts as my hon. friend has presented them, a permit would be given under section 4 of this measure and the corresponding section of the order in council. It is a case which would be treated as one of hardship. The goods would be useless in the other country and they would be allowed to come in.

Mr. PEARKES: How would the firm go about getting them in?

Mr. ABBOTT: Write a letter to the emergency import control division, Sussex street.

The CHAIRMAN: Shall the section carry?

Some hon. MEMBERS: Carried.

Mr. MACDONNELL (Muskoka-Ontario): No, it is not carried. I said to the minister that I thought this section should stand, because we still have to get certain information in regard to the regulations with respect to the automobile industry. I am confident that the Minister of Finance will take some action along the line I suggested with regard to regulations.

Mr. ABBOTT: I do not know what action can be taken. Of course the section will have to stand. It can be talked on until eleven o'clock. I was hoping that we might make some progress. There are other sections of the bill under which I think any information could be given which could conceivably be wanted. But I am in the hands of the committee. I thought that in six hours we might get one section through.

Section 3 stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. ADAMSON: What is the business for tomorrow?

Mr. ABBOTT: The same thing as today.

Mr. KNOWLES: The same thing all over again?

Mr. ABBOTT: Tomorrow we shall continue the discussion on this measure.

Mr. HOWE: Hon. gentlemen opposite will ask the same questions again.

Mr. GREEN: Maybe the ministers will have the answers.

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

HOUSE OF COMMONS

Tuesday, February 17, 1948

The house met at three o'clock.

PRIVILEGE

MR. MERRITT—TRAVELLING EXPENSES OF MEMBERS BETWEEN RESIDENCE AND OTTAWA

Mr. C. C. I. MERRITT (Vancouver-Burrard): Mr. Speaker, referring to the question of privilege raised yesterday by the hon. member for Vancouver North (Mr. Sinclair), as a matter of the expense of travelling by air is important to all members coming from distant parts of Canada. I wonder if Your Honour would inform the house of the reasons for the decision to which reference was made.

Mr. SPEAKER: I expect to be able to give an answer tomorrow.

HOUSE OF COMMONS

WELCOME TO MR. WYLIE AND DR. BEAUCHESNE ON RETURN TO HOUSE AFTER ILLNESS

Mr. T. J. BENTLEY (Swift Current): Mr. Speaker, yesterday there were expressions of good will in respect of members who had returned to the house after an absence because of illness. I should like to make similar reference to the hon. member for Medicine Hat (Mr. Wylie) who has just returned after a serious illness. I hope his health has improved.

Mr. J. A. BRADETTE (Cochrane): Mr. Speaker, on a question of personal privilege, I know I am voicing the sentiment of every member of the house in saying that we are very glad indeed to see the worthy Clerk of the House back to his post. I also express the hope that his health is permanently re-established.

NATIONAL DEFENCE

NAVY, ARMY AND AIR FORCE OFFICER TRAINING AT ROYAL ROADS AND ROYAL MILITARY COLLEGE

Hon. BROOKE CLAXTON (Minister of National Defence): Mr. Speaker, I believe it would be the wish of hon. members that I should make a statement drawing to the attention of the house and the country the arrangements made for the training of officers for the Royal Canadian Navy, the Canadian Army and the Royal Canadian Air Force.

During the war, combined operations under unified command brought victory to the allied side. Considerable progress has already been made in the unification of the Department of National Defence and in the co-ordination of the three services.

As a beginning in co-operation we have decided to require the same entrance qualification and to give the same general education at the same places for cadets in all three services. This arrangement has been worked out after studies of educational experience in this country as well as in Great Britain, the United States, Australia and elsewhere.

The naval college at Royal Roads was this year extended to include air cadets. In September it will also be open to candidates for the army. Royal Roads will have a two-year course, corresponding closely to the first two years in engineering at a university.

Also in September of this year Royal Military College, Kingston, will reopen for cadets for the three services. The first two years will be identical with those at Royal Roads and there will be a further two years, making a four-year course in all. On the completion of their course at Royal Roads cadets for all branches of the three services will go on to complete their course at Royal Military College except that cadets for the executive and marine engineering branches of the navy, after two years at Royal Military College or Royal Roads, will take special training before being posted as sub-lieutenants.

Entrance requirements for both Royal Roads and Royal Military College will be senior matriculation or its equivalent. Candidates must have reached their sixteenth but not their twentieth birthday on 1st January preceding entrance. Naval applicants, except in the case of candidates from classical colleges, must not have reached their nineteenth birthday on 1st January.

The standard achieved will be approximately the same as that in a four-years arts course and three years towards an engineering degree. Following graduation from Royal Military College, students in technical and engineering subjects will be carried on for an extra year at a university to give them a university degree.

During the summer months students will do three and half months' practical work with their branch of their service. At the end of the course they will thus have completed almost a year's practical training in addition to their general education, which will be on a broader basis than ever before.

The second source of officers is the universities. Arrangements have been made with twenty-two universities under which undergraduates may join the Canadian officers' training corps or university naval training division. Under these arrangements, students will receive theoretical training during the college term and will spend three and a half months in the summer doing practical work together with the cadets from Royal Roads and Royal Military College. At the completion of their university courses, in addition to their degree, they will have had additional theoretical military work and the equivalent of a year's practical training with their service. Similar arrangements are in effect for the air force.

Under all these plans, the pay received during the summer months will make a substantial contribution towards the cost of tuition and other expenses during the college term.

The third source of officer material is in promotion from the ranks. It is hoped that as many as twenty per cent of officers will be selected in this way. Officer cadets from the ranks will attend either one of the Canada service colleges or the universities at government expense.

These arrangements for officer training are in addition to service schools for training in the use of weapons and trades schools in all three services. A number of schools are of an inter-service nature, such as the joint army-air school at Rivers, where all aspects of army-air force co-operation are studied, or the winter warfare school at Churchill, where all three services and the defence research board are studying techniques of winter warfare. There are as well army and air staff colleges, and the national defence college for senior officers and civilian officials opened at Kingston on the 5th January last.

Further, all three services have specialist officers undergoing post-graduate training at universities in Canada.

Another educational scheme of importance is the institution of language training. The army is putting into effect French classes in every command and training centre. At headquarters 178 officers are taking voluntary courses in French. Provision is also made for training in languages other than French. The navy and air force will soon implement similar plans.

[Mr. Claxton.]

Modern war requires technical abilities of the highest order. Should an emergency arise, the outcome may well turn on the professional skills and qualities of leadership of the staffs and fighting formations of every branch of every service. For this reason we are trying to ensure that the Canadian defence forces will be led by men who will live up to the fighting reputation of Canadians and who will also have the intelligence and knowledge to develop and use the weapons and skills that may be necessary for the effective defence of our country.

Mr. PEARKES: Mr. Speaker, if I may be permitted a question, on completion of the courses at Royal Roads and the Royal Military College or subsequent training at a university, will there be any obligation on the student to join one of the active forces of the crown?

Mr. CLAXTON: The cadets will be obligated to join either the active forces or the reserve forces.

Mr. PEARKES: Not the active?

FOREIGN EXCHANGE CONSERVATION

TABLING OF CORRESPONDENCE RESPECTING MOTOR VEHICLE MANUFACTURING INDUSTRY

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Mr. Speaker, I desire to table, as requested last night, a letter addressed to the Minister of Finance containing the advice of my department as to regulations applying to the motor vehicle manufacturing and parts industry. I may say that the Minister of Finance has placed these regulations in effect. Copies will be available to hon. members for purposes of the debate later this afternoon.

UNITED NATIONS

PALESTINE COMMISSION'S WARNING TO SECURITY COUNCIL

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. In view of the grave warning made by the Palestine commission to the security council yesterday that "a tragic and dangerous precedent" will be established if force or the threat of force is allowed to thwart the decision of the united nations, is the government prepared to accept its share of responsibility in such action as may be taken by the security council with a view to averting further bloodshed in Palestine and implementing the assembly decision?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, I listened with care to the question the hon. member has just put, because it was not quite in the terms of the notice I was handed just before I came into the house. In answer I can only state that Canada accepted full responsibility under the charter of the united nations and has at all times been pressing to have all the organs of the united nations set up in accordance with the charter and in such a manner as to make the charter fully effective. There is no intention of not complying with the requirements both of the letter and of the spirit of the charter.

LABOUR CONDITIONS

MOVEMENT OF NOVA SCOTIA RESIDENTS TO EMPLOYMENT ELSEWHERE

On the orders of the day:

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, yesterday the leader of the opposition (Mr. Bracken) asked me to give details of the movement of residents of Nova Scotia to work elsewhere in Canada.

A group movement plan was authorized in January 1947, but most of the new placements were in the autumn months of that year. The total, men and women, was 2,642, of which 2,354 were men. Of these, 1,627 were transferred from Sydney, 341 from New Glasgow, 183 from Halifax, 175 from Amherst, 16 from Yarmouth, 6 from Bridgewater and 6 from Liverpool.

Through the national employment service, 254 went to gold and base metal mines in northern Ontario, 211 to a nickel refinery, 761 to farm implement plants; and the remainder were absorbed by foundries, paper mills, textile mills, other manufacturing and construction.

Of the 288 women and girls transferred, 257 came from Sydney, 27 from New Glasgow and 4 from Amherst. They found work in shoe, textile, rubber, and food processing plants. Under this plan transportation and medical examination costs were paid by the federal government.

In addition, jobs were found for residents of the maritimes individually. It is estimated 1,200 men and women were thus referred to vacancies offered by employers elsewhere during 1947.

There were other organized movements, largely confined to the east, with transportation paid by employers and workers.

In the potato picking season, 600 New Brunswick residents were found jobs in Maine and 700 Nova Scotians were found jobs in Prince Edward Island. For apple picking, 1,500 Nova Scotians were registered and found jobs in the Annapolis valley; 200 New Brunswick residents were transferred to pea vining operations in Maine. More than 400 woods workers were transferred from New Brunswick to Maine. This is a total of more than 3,400.

Mr. BRACKEN: Does the statement make clear what period of time these figures cover?

Mr. MITCHELL: I said that, I think, Mr. Speaker. While the policy was approved early in the year, it was in the latter part of the year that the movement got under way.

Mr. BRACKEN: These figures apply to the latter part of the year?

Mr. MITCHELL: Yes, of 1947.

HOUSING

INQUIRY AS TO ULTIMATUM GIVEN TO VETERANS AT VILLE ST. LAURENT

On the orders of the day:

Mr. E. D. FULTON (Kamloops): Mr. Speaker, may I direct a question to the Minister of Reconstruction and Supply, and also to the Minister of Veterans Affairs? It concerns veterans occupying some 400 wartime housing units in Ville St. Laurent in Montreal. Has any ultimatum been given to these veterans to move? If so, can the minister give the assurance that no further action will be taken to evict or move them until the committee which the veterans themselves have appointed has had time to make recommendations and bring them before the minister?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Mr. Speaker, the matter has not been brought to my attention. I shall make inquiries and endeavour to give my hon. friend an answer tomorrow.

WAR SAVINGS CERTIFICATES

QUESTION OF EXPEDITING HANDLING AND CLEARANCE

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): Mr. Speaker, I should like to direct a question to the Minister of Finance. Owing to the fact that it takes from two weeks to two months from the time a war savings certificate is handed into a chartered bank for collection before the proceeds are forwarded to the bank from the Bank of Canada, will the minister check with the officials of the Bank of Canada to see if the handling and clearance of these

certificates can be speeded up so that the holders can get their money promptly without loss of interest?

Mr. SPEAKER: The hon. member for Mackenzie.

Mr. GRAYDON: Isn't that a question, Mr. Speaker?

Mr. ABBOTT: It was a statement, I think.

Mr. GRAYDON: A question, I think.

Mr. FRASER: Why should it take a month or two for a certificate to be cashed at the bank?

Hon. DOUGLAS ABBOTT (Minister of Finance): I shall look into the representations.

Mr. GRAYDON: Apparently the minister is going to take as long to answer as the banks take to cash them.

Mr. FRASER: Has this no priority?

FLAXSEED

REQUEST FOR STATEMENT OF GOVERNMENT POLICY FOR 1948-49

On the orders of the day:

Mr. A. M. NICHOLSON (Mackenzie): I should like to direct a question to the Minister of Trade and Commerce. Is the minister in a position to outline government policy in connection with the handling of flax seed for 1948-49? If not, how soon can a statement be made?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): I am not in a position to add to the statement which I made in the house on February 12. As indicated at that time, an announcement with respect to the handling and marketing arrangements for flax covering the crop year 1948-49 will be made at the earliest possible day.

HUMAN RIGHTS

REPLIES FROM PROVINCIAL ATTORNEYS GENERAL AND DEANS OF LAW SCHOOLS TO LETTER SENT OUT BY COMMITTEE

On the orders of the day:

Right Hon. J. L. ILSLEY (Minister of Justice): Mr. Speaker, yesterday the hon. member for Lake Centre asked me to table the remainder of the correspondence with attorneys general and deans of law schools regarding the power of this parliament to enact a national bill of rights. I am today tabling all the correspondence that has not been already tabled.

[Mr. Fraser.]

EXPORT-IMPORT BANK

REQUEST FOR TERMS AND CONDITIONS OF $300,000,000 LOAN

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to direct a question to the Minister of Finance. Is he yet in a position to inform the house of the exact terms and conditions of the $300 million loan on the Export-Import bank, or a private loan, if any?

Hon. DOUGLAS ABBOTT (Minister of Finance): Mr. Speaker, that statement has already been made. The information is available.

Mr. CHURCH: He that goes a-borrowing goes a-sorrowing.

VETERANS AFFAIRS

COMMITTEE TO INQUIRE INTO BRAEFOOT PROJECT

On the orders of the day:

Hon. MILTON F. GREGG (Minister of Veterans Affairs): May I refer to a question asked yesterday by the hon. member for Nanaimo (Mr. Pearkes). As the minister responsible, and after a study of the background before my time, I have felt it important to get from technical advisers up to date information regarding several aspects of the Braefoot project, and as I said in the house yesterday, the work on that is now going on.

FOREIGN EXCHANGE CONSERVATION

PROHIBITION OF CERTAIN IMPORTS AND PROVISION FOR IMPORT QUOTAS AND PERMITS

The house resumed from Monday, February 16, consideration in committee of Bill No. 3, respecting emergency measures for the conservation of Canadian foreign exchange resources —Mr. Abbott—Mr. Macdonald (Brantford City) in the chair.

On section 3—Goods not permitted import.

Mr. FRASER: I should like to ask a question with respect to paragraph (c) of subsection 2 of section 3. Under this section, a Canadian who had visited the United States before November 18, 1947, is permitted to bring in under the $100 clause prohibited goods.

Mr. ABBOTT: That is correct.

Mr. FRASER: Has the Department of Finance or the Department of National Revenue done anything to acquaint Canadians who are visiting the United States with this bill, showing them what articles they

are not permitted to bring into Canada on their return? If that has not been done I suggest that when a Canadian leaves Canada he be handed a slip showing what articles are prohibited. There has been a great deal of confusion.

Mr. ABBOTT: I am told that that information is given to persons leaving Canada when they arrange for their form H at the bank. Of course that does not affect people who were in the United States when the regulations came into force; but I am told that when a person makes arrangements at the bank to obtain his form H steps are taken to provide him with information as to what is on the prohibited list.

Mr. FRASER: Are they given a list or a form showing what these articles are? I doubt it.

Mr. ABBOTT: No. I am told they are not given a slip. They are told, really, not to buy anything to bring back. If you look over the prohibited list you will see that pretty nearly everything that a tourist may bring back with him is on the prohibited list.

Mr. SMITH (Calgary West): Cabbages, turnips?

Mr. ABBOTT: It also applies to the quota list; it is pretty comprehensive.

Mr. FRASER: It covers a wide range.

Mr. ABBOTT: It covers the waterfront.

Mr. FRASER: From coast to coast. I think Canadians should be given some guide.

Mr. ABBOTT: The guide is this. There is practically nothing that a tourist can purchase down there and bring back which is not either on the prohibited list or the quota list; which means there is very little he can bring back with him in his suitcase.

Mr. BENTLEY: He may bring back a scuttleful of coal.

Mr. ABBOTT: It has been suggested that he may bring back a scuttleful of coal.

Mr. FRASER: He can bring back luxury goods.

Mr. ABBOTT: No.

Mr. FRASER: If you check over the list you will find that there are a few.

Mr. ABBOTT: There may be a few, yes, but a very few.

Mr. FRASER: I still claim that they should be given a list of what we have before us here.

Mr. SMITH (Calgary West): Last evening the Minister of Trade and Commerce promised, according to page 1255 of *Hansard*, the figures with respect to motorcar imports and exports, upon which he based his statement which appears at page 1165 of *Hansard*.

Mr. HOWE: I am sorry to say that I have not the figures at the moment. I have just sent for them and I think I shall have them in ten minutes.

Mr. SMITH (Calgary West): Thank you. While I have the floor I should like to ask the Minister of Finance a question. I have received a number of communications. When I was at home I saw a considerable number of people who are interested in two things in the vegetable line. I have in mind the statement made by some responsible minister that in the regulations, prohibitions and quotas, health was one of the primary things in mind and was being looked after. One of the complaints that I received was that fresh vegetables, tomatoes, celery, lettuce and so on were required by persons suffering from high blood pressure. I made some inquiries on my own recently with respect to that, and the information I got did not confirm the statements that were made to me, but I am very far from being an authority. Certainly these people believed that fresh green vegetables were necessary for their health. The other complaint I received was in respect of diabetics. I have made no inquiries on that, but I have had at least half a dozen letters and a number of calls from persons suffering from diabetes who claim that their physicians have informed them that these things are absolutely necessary to those who are so suffering. Perhaps the minister of health might be interested in the matter, and I am calling it to the attention of the Minister of Finance in case they have not been specifically considered and suggesting that that might be done, and an answer given. Perhaps if he could find out from some authority that these things are not necessary it would at least put at rest the minds of many people who now think that they are not only inconvenienced but are actually suffering because they have not been able to get these articles.

Mr. ABBOTT: One or two special permits have been given on medical grounds, but I will look into the points raised by my hon. friend to see whether it might be desirable to issue a general statement.

Mr. SMITH (Calgary West): I do not want clause 3 to carry without getting the figures the minister promised with respect to motorcar imports and exports.

Mr. ABBOTT: Those figures could be given on 5 (c), which deals with regulations governing the issue of permits.

Mr. SMITH (Calgary West): That might be tonight or tomorrow or the next day. You may infer from my voice that I am anxious to get away from here as quickly as possible. May I give you the figures I have. On page 1164 of *Hansard* the Minister of Reconstruction and Supply made this statement:

> Mr. Chairman, all I can say is that it may surprise my hon. friend to know that the Canadian automobile industry is not a drain on balance—that is the industry manufacturing is not. It does not constitute a drain on American funds. Value of exports is in excess of value of imports.

That is the statement I have in mind. The figures I get from the bureau of statistics covering the months of October, November and December of 1947, leaving out hundreds of thousands and such smaller sums as we over here can understand, and dealing only with millions, of which I have very little understanding, show that the total imports of automobiles, trucks and parts are $46,000,000—it is really $47,000,000, but I am using round figures—while the exports during that same period were $18,000,000, still using the lower and round figure, leaving a difference of at least $28,000,000. These figures come from the bureau of statistics and they are the figures the hon. member for Muskoka-Ontario had in mind. If they are correct, and I assume they are, then it does seem to me that the minister's statement on page 1165, that "value of exports is in excess of value of imports" needs a bit more consideration, and perhaps a withdrawal of the statement he made then.

Mr. HOWE: My hon. friend has taken all imports of motor vehicles, not limited to the companies who are manufacturing in Canada. In that event, certainly the import of motor vehicles not manufactured in Canada constitutes a drain. I was referring to branch plants actually manufacturing in Canada. The significant factor there is the American content of the import and the value of the export, and I hope to be able to give full details accordingly. The reason I have not the information is that my officers are preparing complete details. Certain figures were available at my office this morning. I have asked for additional information and perhaps my hon. friend will withhold judgment until my figures are available.

Mr. SMITH (Calgary West): I will do so, but on this one point it is difficult to withhold judgment, that is, that the value of exports is in excess of the value of imports. The minister will admit that he is quite wrong. I do not see why we do not often admit that we are wrong. The same minister did so last year when he admitted that he was wrong about a certain airway company, and I am giving this as general advice to the House of Commons. We cannot prove that we have always been right since 1867, and a few frank confessions might be good not only for our souls but for our business. In this case it would be helpful if the minister would admit that he was wrong in the statement and let it go at that.

Mr. HOWE: It would be wonderful if people who would like to debate these questions were in the house when previous debates took place. Had the hon. member been in the house he would know that I was speaking about the manufacturing industry, and my remarks pertained only to that. If he had finished reading the sentence of which he quoted a part, he would find it set out in that statement. Perhaps he will withdraw the remarks he has made in the last few minutes about someone being wrong.

Mr. SMITH (Calgary West): Let me straighten the minister out on that. On the previous occasion I was sitting in the house in exactly the place I am in now, and he will observe that my name appears in *Hansard* both before and after the report of the statement he made which I have quoted. I really was not attempting to be at all critical of the minister. In fact I flatter him, for he is the only member I have known, sitting in the treasury benches, or anywhere else, who has ever admitted being wrong since the House of Commons was formed.

Mr. HOWE: I am getting old enough to be fussy about who gives me a dressing down. I am very particular now about who gives me a dressing down, and I do not appreciate your remarks at all. They are usually funny but they are not funny now.

Mr. SMITH (Calgary West): I am sorry to hear the minister say that, but I remember a very old remedy I heard of when I was a boy—my mother told me about it—and that was that when you are chafing in a particular spot a little bit of wet baking soda is good for that feeling.

Mr. MILLER: This question may have been asked of the minister before, but my recollection of his remarks in the pre-Christmas sitting is to the effect that they could not take into consultation various industries for fear that they would disclose their hand, not with respect to this, but as

regards the imposition of the 25 per cent tax. I was wondering if the minister, before putting these tariff items in schedule I, had caused full inquiries to be made to see whether there was some source, either in Canada or somewhere else apart from the hard currency countries, where these articles could be secured. I am thinking particularly of flashlights. I doubt if there are enough flashlights or flashlight batteries available in Canada to begin to supply the Canadian market. If that is so, it seems to me we would all have to admit that flashlights and flashlight batteries are more than a luxury now, being rather an essential. I mention this only to ask, first of all, whether consideration has been given to an alternative source of such supplies. If consideration has been given and there is no alternative source, would the minister consider taking that item from schedule I and putting it in schedule II?

Mr. ABBOTT: Replying to the general question which my hon. friend has put, as to whether consultation was had with outside interests to find out what should be included in the prohibited list and what should not, the answer is no, for reasons which all members of the committee will appreciate. Advance discussion was not possible. In selecting the articles which were to be included in schedule I, the prohibited list, or schedule II, the quota list, exhaustive study was given to trade statistics and production statistics in Canada, import records, and all that sort of thing, by an inter-departmental committee headed by Mr. Taylor, to which I referred a few days ago. Speaking generally, where things on the prohibited list are in the category of necessities or desirable items, they would not be put there unless it was felt that the source of supply in Canada was reasonably adequate. I think that would apply to flashlights, which were mentioned by the hon. member for Portage la Prairie. I think there is fairly adequate production of flashlights in Canada. I am speaking from memory in discussing the schedules generally, but that was the general practice which was followed in preparing that list. Since the list was announced we have had, of course, a great many representations from persons in the trade and from consumers. Those representations have been carefully considered and as a result a certain number of changes have been made. For instance, a number of things have been moved from the prohibited list into the quota list; a few have been added to the prohibited list, but not many.

Mr. MILLER: If it is disclosed later that there is no available supply of flashlights or flashlight batteries, I presume that under the powers which have been taken they would be moved to the other schedule?

Mr. ABBOTT: That is right. Power is being taken in the bill to relax these restrictions, but not to make them more onerous. The government is not asking for any power in the bill to add to the list of prohibitions, but it is asking for power to move articles from the prohibited list into the quota list or to take them out of the restricted list.

Mr. HACKETT: Will the minister state if the money derived from the sale of Canadian-made automobiles to other countries is in United States dollars or their equivalent in pounds sterling?

Mr. ABBOTT: That is the case today. Canadian motorcars exported to South America or these other markets will be for sale in either United States dollars or convertible currency.

Mr. HACKETT: Have we sold any substantial number of automobiles to hard currency countries? I thought our sales were largely restricted to sterling areas.

Mr. ABBOTT: My colleague the Minister of Trade and Commerce will know better than I do about that. But of course a number of sterling area countries in these days are required to pay for certain imports in convertible exchange; and although automobiles might be going in, let us say, to Malaya, Uruguay, or some other South American country, the payment would have to be made in convertible exchange.

Mr. HACKETT: But the result of that requirement is that the trade has ceased to be as fruitful and abundant as it was in the past; is that not so?

Mr. ABBOTT: That is hard to say. I am told that the export demand is still substantial, curious as it may seem.

Mr. FULTON: Have any other commodities been traded for which sterling or soft currency areas are required to pay us in dollars or convertible currency?

Mr. ABBOTT: My hon. friend is probably as familiar as I am with the basis on which accounts are now settled between sterling area countries and Canada. The United Kingdom holds the reserves for sterling area countries. If a product is sold, let us say, to Australia, New Zealand, Egypt, India or any other country whose currency is sterling, settlement must be made for that sale unless credit terms are arranged. Over the past couple of years a substantial portion of the deficit of the sterling

area countries has been financed out of the Canadian credit, and that credit is still operating during January, February and March. But the deficit has always been taken care of out of either gold or convertible exchange. It is the net deficit. That was true last year and it is true now. The importing country, if it is in the sterling area, must decide how much it can afford to import from hard-currency countries. It will take into account its reserves of gold or other hard currencies, the extent to which it will be able to export goods, and so on.

Mr. FULTON: I was under the impression that it was a Canadian requirement that payment for automobiles must be in dollars or convertible currency. Am I wrong there? Is it the United Kingdom which decides, or is it the individual country which decides?

Mr. ABBOTT: Obviously the Canadian exporter cannot use sterling to pay his wages. If he makes his contracts with a sterling area country, he must be assured that he can be paid in something he can use to pay his wages. It is up to him.

Mr. HACKETT: I ask this question of the Minister of Finance, although it is not his statement. If he is not prepared to answer it I shall understand and shall wait for an opportunity to ask the question of the Minister of Trade and Commerce.

Mr. ABBOTT: The Minister of Trade and Commerce is here.

Mr. HACKETT: Then I will ask the question of him. He stated, speaking of automobiles manufactured in Canada, that the value of exports is in excess of the value of imports.

Mr. HOWE: Of the three companies manufacturing in Canada.

Mr. HACKETT: My question is whether the minister is talking in terms of United States dollars.

Mr. HOWE: That is right.

Mr. HACKETT: I can readily understand that the value of exports in pounds exceeds the value of imports in dollars, but not being convertible they do not help us much. That would not help us much out of present difficulties.

Mr. HOWE: We sell nothing for inconvertible currency. Anything that we sell to sterling countries is for convertible currency. It is true that we make a loan to these countries, but that does not alter the fact that whatever we sell to a British country is sold for convertible currency.

[Mr. Abbott.]

Mr. HACKETT: I understand that that is the rule which the right hon. gentleman is applying at the present time. What I was endeavouring to ascertain is the accuracy of the statement that the value of exports is in excess of the value of imports. That may be what he hopes will come about when the policy he is applying has come into effect. But I accept with some doubt the accuracy of that statement if the United States dollar is to be the basis. I doubt the accuracy of it as to the past; and as to the future, we do not know because there is no experience on which to base a reply.

Mr. ABBOTT: I can answer that if I may, because it is a semi-financial question. We have been paid for everything we have exported to any country, whether it is a sterling area country or otherwise, except to the extent that the exports have been financed out of credits, except to the extent that the trading deficit of these countries has been taken care of out of credits which have been extended to them under the Export Credits Insurance Act or otherwise. That has been the situation up to the present time. What the situation will be when credits are no longer available and convertible exchange has to be paid for exports, of course, no one can foresee. That is the situation today.

Mr. HACKETT: But what is the basis for the statement?

Mr. ABBOTT: It is an accurate statement up to the present time.

Mr. HACKETT: Is there anything of record which will justify the statement that the value of exports is in excess of the value of imports in United States dollars?

Mr. HOWE: Well, Mr. Chairman, I hope to give detailed figures just as soon as I can get them. I am waiting for them. They were promised to me by 3.30; it is now 3.50, and I hope to have them shortly.

Mr. STEPHENSON: Owing to the restriction on the importation of cars wholly manufactured in the United States by companies having no branch factories in Canada many dealers will find that they can bring in only about one car for every seven they brought in during the basic period. That will have a serious effect on a great many dealers who have these agencies throughout Canada. Has the minister made any survey to ascertain how many of these dealers in Canada will be affected, and what their position will be? Will it put them out of business, and is any consideration being given dealers who have these agencies?

Mr. HOWE: Usually if an agent loses one line he takes on another. I cannot say what the effect will be, but I do not think you can make omelettes without cracking the eggs.

Mr. STEPHENSON: I know, and the effect is that it practically cuts off the dealers. I have been in the automobile business, and I know that in practically every town and city these popular car agencies have been allotted already, so it will not be possible for these dealers to pick up another agency. To my way of thinking these people are going to suffer, and I was wondering if the minister made any survey as to the effect it will have on them.

Mr. MacNICOL: I would like to ask a question in reference to bringing fruit into the country. A short time ago I was in the city of Windsor, where I met a gentleman, whom I knew well, who had just come from the customs house. He had been on a trip in Michigan and had purchased a dozen oranges. By the time he reached Windsor he had eaten nine and still had three in a bag on the back seat. He did not think for a moment he would be charged duty on the three oranges, but the customs officials told him he would have to pay duty.

Mr. ABBOTT: He should not have let them in at all.

Mr. MacNICOL: My friend just picked up the bag with the three oranges and threw it in the river. Later the same day I was talking to a newspaper man, and he said it was simply amazing what was going on at the customs house. I am sure neither of the ministers wants that kind of thing to happen. What instructions, if any, are sent out to the customs people at the border in regard to bothering people in this way?

Mr. ABBOTT: Those of course are the unfortunate incidents which I suppose cannot be helped. They can only be mitigated by customs officers exercising as much tact and courtesy as possible. The situation is that oranges are on a quota. A great many other things are prohibited. No visitor returning from the United States may bring in anything which is on the prohibited list or on the quota list. If an article is on the prohibited list no one is allowed to bring it in. If it is on the quota list the only persons allowed to import it are the holders of quotas. So unfortunately if a person goes to the United States and buys two or three heads of lettuce, as happened when I was coming up from New York a couple of weeks ago, or oranges as mentioned by my hon. friend, unless the customs officer wants to look the other way he has to enforce the law and say, "I am sorry, but those are on the prohibited list and you will have to give them to some friend before you cross the line. You cannot bring them in." That is one of the unfortunate necessities of this unfortunate law; but it is very difficult. It would not be reasonable to give the thousands of customs officers across the country power to exercise discretion, to allow one man to bring in a prohibited article and refuse to allow another to do so. So their instructions are that if the article is on the prohibited or quota list it cannot be brought in by a person returning from the United States. That is one of the unfortunate features, but we have not been able to think of any way of avoiding it.

Mr. MacNICOL: The last time I was home I had occasion to visit a hospital to see a friend of mine who was seriously ill. His beard required shaving, and the nurse said to me, "I cannot shave him with these so-called safety razors." I replied, "Why don't you use an electric razor?" She said, "Well, we cannot buy them." I see that electric razors are on the prohibited list. I do not know whether they are made in Canada, but if they are they should be available.

Mr. ABBOTT: I am told they are made in Canada.

Mr. MacNICOL: Anyway, I thought that was pretty tough on the nurses who have to shave their patients as well as look after them otherwise.

Mr. ABBOTT: I wonder how these people got shaved before the electric razor was invented. I suppose they had to let their beards grow.

Mr. MacNICOL: The minister might indicate also what instructions have been given in reference to bringing in fresh fruit and vegetables. Certainly vegetables do not grow here in winter, except in the greenhouses, and they are required in hospitals and people like to have them in their homes. Considering the small amount of duty that would be saved on carrots and vegetables of that kind, and the great deal of good they do the people who eat them, it seems to me a big mistake was made in prohibiting the importation of fresh fruits and vegetables.

Mr. ABBOTT: As far as fruit is concerned, citrus fruits are under quota; and due to lower prices prevailing in the United States this year than last, since it is a dollar quota, I believe the quantity of oranges and grapefruit imported is just as great as it was last

year, and the price compares very favourably. Of course they can also be imported from the sterling area. There is no shortage of citrus fruits this winter, and the prices are pretty good. On the question of fresh fruits and vegetables, I announced when the policy was brought in that if shortages developed, adequate supplies would be made available of the four basic vegetables, potatoes, onions, carrots and cabbages. My hon. friend is a bit older than I. I am sure if he casts his mind back he will realize that this diet of imported fresh fruits and vegetables in the winter is something of comparatively recent growth in Canada. Fifteen or twenty years ago we did not bring in fresh fruits or vegetables in the winter, from the United States or anywhere else.

Mr. FRASER: We grew our own.

Mr. ABBOTT: Not in the winter time. We put them down in the root cellar, but we did not grow any fresh lettuce in the winter time, or any of the other things that have been mentioned. When I was a boy I never saw a bit of fresh lettuce or any other fresh vegetable or fruit from fall until spring—the hon. member for Stanstead nods his head—and the health of the country did not suffer in those days. Our mothers used to put up all the vegetables, peas, beans, tomatoes and so on, and they were just as nutritious as these colourless things that are brought in from Mexico or somewhere else. I have had occasion to say this before but I make it now as an assertion, and I am pretty sure it is true: that the health of a single individual in Canada will not suffer because we are not bringing in $3,000,000 worth of American lettuce this winter, or some of these other pleasant, desirable but expensive things which are not essential for health purposes. When you do not have the money you have to go without some things, and that is the position we are in today *quoad* the United States. I will say, too, that a great many rural areas in Canada today never see a bit of fresh lettuce in the winter time, or any other fresh vegetables. They are restricted to the larger centres, where the wholesale fruit and vegetable trade can readily distribute these delicacies. But it is not general throughout Canada during the winter.

Mr. FRASER: Lettuce in the House of Commons restaurant today at 30 cents a head!

Mr. HOWE: There seems to be some urgency with respect to the data on imports and exports of motor vehicles. I now have before me a statement from Mr. J. H. Berry, who is in charge of the capital goods program. It states that the three major Canadian manufacturers of passenger cars and light trucks have advised him of certain figures covering their operations in Canada during the twelve months ending October 31, 1947. The statement goes on to say:

The figures giving the value of exports are the invoice value of goods exported by them.

1. Vehicles produced in Canada for domestic sale	169,093
2. Vehicles produced in Canada for export	71,969
3. Total production	241,062
4. Cost of imported productive and service material and accessories	$74,059,986
5. Invoice value of exports	$79,618,398

This shows a balance in favour of exports of about $5,500,000.

Mr. HACKETT: I have listened attentively to what the minister has said, but I do not think he has given an answer to the query I addressed to him. Were those exports paid for in American dollars? That is what we are trying to ascertain—whether or not the automotive business is a drain on our American dollars. The minister has just said that we have paid over $74,000,000 in U.S. dollars for parts imported from the United States, and that we have sold motor vehicles to the value of $79,000,000. Were we paid in United States funds?

Mr. ABBOTT: I shall have to answer that, and I shall give the same answer I gave before. We were paid for everything we exported from this country last year, except to the extent that those exports were financed out of the British credit or the credits which were extended under the Export Credits Insurance Act. Balances over and above the credits were settled in a convertible currency.

Mr. HACKETT: Then, that means that to the extent of the credit we advanced we lost U.S. dollars on the transaction?

Mr. ABBOTT: You may say that the credit was used to pay for wheat, and they used the cash to pay for automobiles. You may take your choice. But there were substantial cash payments received by this country in addition to credits which were extended.

Mr. HACKETT: All I am trying to establish is the accuracy of the statement made by the Minister of Trade and Commerce. I fear that my challenge must stand, because it has not been established that the answer given was an accurate one.

Mr. WRIGHT: I notice that under tariff item 415a in schedule I there is reference to refrigerators, and I would understand from the item that the importation of refrigerators into Canada is entirely stopped. There is one type of refrigerator, an oil-burning variety, which is not made in Canada. It is used extensively in the rural areas. Possibly seventy per cent of the people in rural areas have no electricity available to them on their farms, and this is the only type of refrigerator suitable for their purposes. What consideration has been given to the importation of this type of refrigerator? What were the importations last year; and will the minister give us any other information he may have on the subject?

Mr. ABBOTT: I am afraid it would not be possible to give my hon. friend figures as to the importations of that particular refrigerator, because it comes in under the general tariff item relating to refrigerators. The statistics would not be broken down between that type of refrigerator known, I believe, as the Servel, and other types, so those figures could not be made available. I can say, however, that consideration was given to the factors referred to by the hon. member for Melfort. It was felt that the importation of refrigerators as such constituted such an important item that they would have to be prohibited. It was felt, further, that exception could not very well be made in respect of one type of refrigerator. That may result, of course, in that particular type of machine being produced here in Canada; I cannot say as to that.

Mr. WRIGHT: Is there any indication that it is likely to be produced here, or is there any other source available in soft currency countries? If there is not, then it seems to me there is discrimination against a certain group in our community. That is particularly true when we realize that the people in Canada who have electricity available to them can still purchase refrigerators, but those who have not electricity simply cannot obtain them.

Mr. ABBOTT: I think the situation is somewhat the same as that referred to the other day by the hon. member for Swift Current in regard to propane stoves manufactured in the United States. We are looking into these matters continually, and where it is possible to make relaxations it will be done. Hon. members will understand, however, that it would not be possible to have absolute equality right across the board. There are bound to be situations such as the hon. member has indicated, where there would appear to be some temporary discrimination. But, as I say, in the old days, in the country, even kerosene refrigerators were not available.

Mr. WRIGHT: That is true, they were not available, and it is only within recent years that this particular type of refrigerator has become available in rural areas. Under section 4 the minister is given discretion in cases of exceptional hardship to make certain concessions. It seems to me this is a genuine case which he might well consider. I do not think the amount involved would be very great so far as American currency is concerned. Unless the minister has some assurance respecting the establishment of branch plants in Canada, I suggest he give this matter further consideration.

Mr. POULIOT: Mr. Chairman, in these times of so-called austerity I am in full sympathy with the Minister of Finance, although I cannot say I am in full agreement with him. The other day one hon. member, speaking about trade, said that our trade with the United States was not as important as that with the United Kingdom and the rest of the empire. He did not make the necessary distinction. The distinction should be made between real and fictitious trade. Whether it be larger or smaller than our trade with the British commonwealth, the fact is that our trade with the United States is real trade, because the goods are sold and paid for on both sides of the border. Trade with the rest of the world is fictitious. At the present time we are living in the clouds, and the trade with the rest of the world is not at all real. Why? Precisely because of that obstacle known as the American dollar. The American dollar has become the obstacle to our trade with Americans. Surely that is incredible. The American government has been hoarding gold for a long time at Fort Knox so that it may have supremacy in trade over the whole world. It has been their avarice which has caused our difficulty and the difficulty of other countries.

The other day I made a suggestion which I believe, was quite in order; it was that we substitute barter for our present fantastic and imaginary trading processes. That would be an experience; any policy adopted for a short time is an experience. Here we are entering upon an experience in trade, and Canada has become a verboten country, as Germany was at the time of Hitler. You cannot go across the border; it is forbidden. You cannot take in any money; it is forbidden on account of our shortage of United States dollars. If

you want a cheap refrigerator or washing machine you cannot buy it. You have to pay a tax of 25 per cent more because we have not enough reserves of United States dollars. I mention that because for a long time I have advocated sound trade policies, and I was considered unpatriotic to do that.

I find that the whole set-up of the Department of Finance is wrong. The question should not be to amend the Foreign Exchange Control Act but to get rid of it altogether. Some hon. member advocated that either yesterday or the day before when I was not in the house, but I read it in *Hansard*. He said that we should dispense with the Foreign Exchange Control Act. We can say a lot about imports and exports. Our import trade is an honest trade, just the same as our export trade. It affords a living to a large number of people who import goods from other countries and sell them here. But now they are precluded from doing that, precisely because we have spent too much during the war—

The CHAIRMAN: Order. The committee is considering clause 3 which deals with goods not permitted import. The hon. member is dealing in his remarks with the general principle of the bill. I would ask him to confine his remarks more directly to the clause under consideration.

Mr. POULIOT: Mr. Chairman, I am not speaking of the principle of the bill. I am speaking only of this clause, the title of which is "import control" and the marginal note, "Goods not permitted import". My view is that we should dispense with this clause, dispense with the whole bill, and dispense with the foreign exchange control board.

The CHAIRMAN: That is the point I raised with the hon. member. On second reading the house adopted the principle of the bill; therefore it is not in order to discuss the principle at this time. The principle has been accepted, and now we are dealing with the details of the bill, at the moment with the details of clause 3.

Mr. POULIOT: I certainly do not wish to dispute with the Chair. I have too much respect for the Chair and for you personally, sir, to indulge in that kind of thing. But here we have clause 3, the first paragraph of which reads:

> No person shall import or attempt to import into Canada any goods listed or of the classes described in schedules I, II or III except in accordance with a permit issued by the minister, and, subject to this act and the regulations, the minister may issue, vary, or revoke permits for the import of such goods.

[Mr. Pouliot.]

I do not object at all to the present minister exercising these powers, because I believe in his fairness and I believe he is a great Liberal. That is why I am in full sympathy with him. I realize that at times it must be pretty hard for him to defend a measure like this. But he has my entire confidence, and it is just because I want to help him that I warn him of the danger in this kind of legislation. You know very well, sir, that without speaking on the principle of the bill I can warn the committee of the danger that exists in the main clause of the bill, and if this is the main clause it is hard to make a distinction between the principle of the bill and what is contained in this clause.

What I am saying has nothing whatever to do personally with the minister or the staff of the foreign exchange control board. But I find it is bad. The best tradesman cannot expect to do a fine piece of work with a bad tool. The foreign exchange control board is a bad tool, and no one has realized yet that it is that body which keeps the whole reserve of gold and securities belonging to the Dominion of Canada. They are the ones who have all the guarantees that we can give for the Canadian dollar. It is not the Bank of Canada that prints the notes; it is the foreign exchange control board that holds the fortune of the country, and that organization is not able now to meet our international financial obligations to the rest of the world. What is wrong with it? It is precisely because of the unwise management of the foreign exchange control board that that institution is unable now to render the same services that were rendered by the minister and the Department of Finance before the Bank of Canada and the foreign exchange control board were established. That is why we cannot import. There are many items in which we have no more freedom of trade. It is just as simple as spring water. This is what I object to.

How is it that if I want to buy a washing machine in the United States I have to pay from $150 to $175 for that same machine in Canada? It is because of taxation that I am compelled to pay on the supposed Canadian-made or Canadian-adjusted machine to cover our deficiency of United States dollars. It is not a complicated matter. Those who tell you this whole matter is complicated are those who will pose as experts afterwards and tell us that this subject is so very difficult that no one can understand it. Let us get down to fundamentals. Let us realize that Providence has made different climates in different countries so that the goods of those countries will be different and so that there will be an inter-

national exchange of goods, so that there will be an inducement for men to deal together in fraternity and co-operate together. When I see obstacles made by man to prevent other men from getting what they want legitimately I am opposed to that, and I am opposed to it because I am a Liberal, and there must be a change made soon in that organization.

It is not a question of discussing the principle of the bill. It is impossible to speak on this matter without mentioning the things I have already mentioned. Of course, I am open to conviction and if something is said that will satisfy my mind I will say: Well said; I agree. But so long as such explanation is not made to me my mind is not satisfied, sir, and I say that on behalf of all the Canadians who want this country to be a free country, who want this country to be at least a country where men can trade freely with their neighbours. And mark you, sir, how is it that I cannot buy any goods from the United States because of the United States dollar when I can get the same thing from the United Kingdom, from Belgium, from France, from The Netherlands because they are not on the same currency? We pay much more for what we buy from these countries than we would pay to the United States. We have to spend more money not to use United States dollars. It does not get into my head.

I may be dumb; I may not understand the intricacies of international finance and high finance, but I do not see why I should gain nothing, why I spend twice as much to get the same thing in Canadian dollars. I cannot understand it. It is beyond me, and it is beyond the average man. Nobody understands it except the wizards in the Department of Finance, and I congratulate the minister for not being one of them. There could be no greater compliment paid to him than that. I consider him a man who means well and who wants to make a success of his department; but I am very sorry to warn him that so long as he has the same wizards around him—and I do not particularly mention the good looking gentlemen who are in front of him now; I speak of the whole organization—he will have trouble. I said that when Bennett was in power, and the same men are there today. Some newcomers have been added to the staff; but it is the same men who run the show, who are considered essential and who cannot give a satisfactory explanation to anyone.

The CHAIRMAN: Order.

Mr. POULIOT: Thank you, sir.

Mr. LENNARD: Some time ago the hon. member for Davenport mentioned that three oranges were taken away from a traveller at a border point. In reply the minister said that the law was there and that the border officers had no discretion in the matter. Well, all I can say is that it is about time some discretion was given to them. I know of scores of cases—but I am not going to burden the committee with that sort of thing this afternoon—where the necessities of life have been taken away from people at border points. I am referring to travelling necessities. I know of one instance in which they went into a man's pocket and took away a few cigars. I do not say they are travelling necessities, but I know that travelling necessities have been taken away from people at the border. It is about time that some discretionary powers were given to these border officers and that they used a little more tact in the discharge of their duties.

Mr. HERRIDGE: I rise to support the hon. member for Melfort with regard to the necessity for the importation of kerosene refrigerators for people in isolated districts. The minister in reply to the hon. member said we did not have kerosene refrigeration twenty-five years ago. In this connection I think the minister is giving insufficient consideration to the people who live in the rural districts and away from electrical power. The people on the farms are producing food, the miners at isolated points are producing very necessary minerals, and the woodsmen working in isolated camps are producing urgently required lumber. In my opinion these people should get every consideration. I want to remind the minister that twenty-five years ago we had few American films imported into this country but we have many today. I suggest if it is necessary to preserve foreign exchange then it would be better to keep out of the country some of the putrid films that are poisoning the minds of our young people and permit the import of kerosene refrigerators for people who are producing wealth for Canada.

Mr. CASE: This afternoon the minister said that they seek to do business in convertible currencies. I believe that is the term.

Mr. ABBOTT: Yes.

Mr. CASE: My question is this. We have the Bank of Canada as a national institution. Is there any machinery provided by which we can convert sterling into Canadian dollars? In other words, would it not be good business to store up a surplus of sterling as a hedge

against the day when the United States dollar slumps? We have put too much emphasis upon the United States dollar. Three-fifths of the business of the world was done in the sterling area in days gone by, and I have confidence that it will come back. Someone must be paid when he manufactures goods for export. May we not convert sterling into Canadian dollars? Are there any facilities whereby we can build up a surplus of sterling as well as United States dollars?

Mr. ABBOTT: We have substantial quantities of sterling now. We have made loans of something over a billion dollars. We have a loan without interest which is still outstanding. The effect of accumulating sterling, which is what my hon. friend has referred to, is simply to advance additional credit to the United Kingdom. You do not have to accumulate sterling notes in order to advance credit. It is far simpler than that. A better way to do it is by an entry in the books, and that is exactly what we have under the British credit. The net effect of exchanging Canadian dollar bills for sterling notes, to use the example given by my hon. friend, is simply to advance that much more of a loan to the United Kingdom. The Canadian producer has to be paid in Canadian dollars. If the British importer sends over a thousand pounds to pay for something he has imported, somebody has to provide four thousand Canadian dollars to pay the Canadian exporter. If that is done by the Canadian government it is a further loan of $4,000. That is all it amounts to.

Mr. CASE: I understand that, but the United States dollar situation does not enter into that transaction. You are going to convert it to Canadian dollars as an additional credit to the sterling area. It does not have any relationship to the United States dollar there. That is correct?

Mr. ABBOTT: The net effect is that for the time being you are lending the goods to whoever is importing them.

Mr. CASE: It has no relationship to the United States dollar situation.

Mr. ABBOTT: None whatever, except to the extent that it is something we could sell somewhere else for United States dollars.

Mr. CASE: Is there any restriction on the importation of fuel oil?

Mr. ABBOTT: Not under this, no.

Mr. CASE: There is a scarcity of fuel oil.

Mr. ABBOTT: We are anxious to get all the fuel oil we can. It is a vital item in our economy.

[Mr. Case.]

Mr. NICHOLSON: I should like to direct a question to the Minister of Trade and Commerce before the hon. member for Huron-Perth can give the bad news about the provincial by-election; I am sorry the hon. member for Huron-Perth has such bad news to bring back to the Minister of Trade and Commerce. I support the argument advanced by the hon. members for Melfort and Kootenay West. Is any consideration being given to the establishment of industries in Canada to produce kerosene refrigerators? A great many farmers have been using these refrigerators in recent years, and Canada was able to establish settlers all across the north country where we had refrigeration during the war. It seems a pity to discontinue the making available of this type of refrigeration to rural communities if by any means it can be continued. Is this one of the industries that may be started?

Mr. HOWE: I have no information on the subject. I have not been advised of anyone attempting to start that line of production, but I shall make further inquiries.

Mr. NICHOLSON: During the war at Churchill, The Pas and at other outlying places across the north we were able to establish refrigeration for any people who came there. If the minister went at his present job as he went at the job of establishing air training schools with modern facilities, we would not have to discontinue the supplying of these essential commodities which are used by many people in frontier places.

Mr. WRIGHT: What is the position with regard to parts for servicing this equipment that is already in Canada? Are the parts still allowed to be imported?

Mr. ABBOTT: They are allowed in. I would not want the committee to get the impression that I have no sympathy for conditions such as have been described, but the position is a difficult one. When you have to take a long list of imported articles and select some which must be temporarily excluded, one cannot avoid what might perhaps be considered as discrimination. As I have said so often, however, this is not a permanent policy. Perhaps six months or a year from now it may be possible to relax somewhat, and that might be one of the first items that could be considered. But when you have a definite shortage of the means of paying for essential imports from the United States, you have to defer some of the less essential if you are to follow the principle set forth in this bill.

Mr. WRIGHT: Has the minister any information as to where this type of goods can be got? Is it available in soft currency countries?

Mr. ABBOTT: I will make inquiries.

Mr. TIMMINS: The Minister of Trade and Commerce said something about the regulations which will be brought down with respect to the motorcar industry, and he has told us about the manner in which building construction will be handled by means of projects. I am speaking for the middle class of businessmen, who ought to know now how they will be able to carry on in the time to come. I am thinking of the engineering and machine work business of the country, which went ahead 100 or 200 per cent during the war. These industries are geared to handle as great a production as they did during the war, and unless they are able to carry on with steel and iron and all the other elements that enter into their work, there will be unemployment in these industries. Last evening the minister said, referring to projects:

> If the project is of any considerable size the applicant appears before the officers of the department and gives them any explanations they require.

That, I submit, is predicating the conduct of business on Ottawa. It is bringing into business throughout Canada the Wellington street complex. In other words, everything is based on Ottawa, and I suggest that the man living in Halifax or in Vancouver and who is in business just as anyone else is ought to be able to know just how he is going to carry on. Is it the intention to arrange for teams of departmental officials to attend in these various centres with a set of regulations? If we do not know the regulations, someone must know them. How is business in Canada going to carry on in these various engineering projects? I know some firms that are engaged in the manufacture of meat-stringing machines and packaging machines. As business grows in this country, these machines will become more and more a part of the fabric of industry. If the minister does not give us the regulations, what guide will he give so that industry may know where it is going?

Mr. HOWE: This is not the first time that question has been asked, but I can assert with some degree of knowledge that businessmen in this country do know where they are going, and if they do not know where they are going and care to ask a specific question, an answer will be furnished. They can get a prompt answer by writing in. I suggest that instead of the hon. member attempting to tell industry where it is going, he should let industry tell him. He will find that they know where they are going.

Mr. McKAY: I support what the hon. member for Melfort has said in his opposition to the restrictions that have been placed against kerosene-burning refrigerators. I recognize, as most members do, that we have to conserve American dollars, but this particular restriction affects those who live in the country, who, as has been pointed out, are often a long distance from electrical energy. This is probably the only method of refrigeration they have, and I suggest that if further restrictions have to be applied on other things to make up the dollar shortage here, we might ban the importation of high-priced automobiles. We are making three models of cars in Canada, and that should be sufficient for the demands of the public in the period of so-called austerity. We ought to admit some of these refrigerators that rural people require.

I wish to ask a question, a partial answer to which I believe was given last night. Can the minister say just how long it will be before quotas on imports of component parts that go into the manufacture or the assembling of manufactured goods in Canada—I refer particularly to electrical appliances—will be announced? How soon will the minister be able to announce when these quotas will be set up? I know from conversations with certain industrial heads that they are inconvenienced and sometimes visibly worried over the fact that they do not know what the quotas will be and therefore cannot make contracts with the dealers.

One further question I would ask in that connection. Perhaps the minister cannot answer it now, though I wish he would give some sort of answer as a guide. Will the dollar allotments to be provided be set on the basis of imports of those particular commodities for 1947?

Mr. HOWE: The formula governing imports of electrical parts is under intensive study at the moment. Meetings are being held with branches of industry. I cannot say positively when the quotas will be announced, but it will certainly be before the first of April, and possibly before the first of March, although I doubt if the latter date is possible. As for the standard period, that is being considered. It would hardly be the calendar year 1947. It will be some specific period which the trade will agree is fair to all branches of industry.

Mr. SKEY: Would this be the right time to discuss import permits as far as the aircraft industry is concerned, or should that come under the tariff items?

Mr. HOWE: That should come later. Consideration has not been given to that item.

Mr. SKEY: It is in the bill.

Mr. HOWE: I know it is in the bill, but I suggest that it be left until we come to the tariff items.

The CHAIRMAN: Shall the clause carry?

An hon. MEMBER: On division.

Section agreed to.

On section 4—No permits for goods in schedule I—exception.

Mr. MANROSS: I want to ask two or three questions. I know that barber chairs are prohibited, but I suggest that there ought to be one for the Minister of Finance, who has to get up and down so much. I do not suppose there is a standard formula for deciding what "hardship" means. Is each case decided on its own merits?

Mr. ABBOTT: That has to be pretty much the rule.

Mr. MANROSS: What is a hardship, and who decides the question? Is it decided on the ministerial level, or by men in the departments?

Mr. ABBOTT: There is a departmental committee consisting of Mr. Taylor, the assistant deputy minister of finance, who is chairman, Mr. Gordon, representing the foreign exchange control board, Mr. Sim, representing customs and excise, Mr. Taggart, representing the Department of Agriculture, and Mr. Mackenzie, deputy minister of trade and commerce. All requests that come to the emergency import control division for treatment under the hardship provision are examined first by the officials of the division. They are considered by this committee, and if they fall into a pattern which has been recognized as constituting hardship they will be granted without reference to myself. If the case is unusual, and that has often been so, then the matter is referred to me with the recommendation of the committee, and I make the decision. I probably discuss the matter for some time. In one or two particular cases we had, we discussed them for nearly a week before we came to a final conclusion. Under the provision of that order in council now and under the act as drafted, I am the final judge. As I said the other night, I have to exercise something in the nature of a judicial function there. After having all the facts put before me, I have to decide whether it is a case of exceptional hardship which merits consideration under this section.

Mr. MANROSS: I suppose, if a company gets a letter back from an individual in the department saying that he does not see there is any hardship, there is still a further appeal?

Mr. ABBOTT: They can always appeal directly to the minister, if they want to; a great many have.

Mr. MANROSS: There will be more. I have not yet had time to dictate the letters. With regard to the refrigerator problem which the hon. member for Melfort mentioned, I was going to mention that again under section 4 because I thought that was where it should be dealt with. In certain cases it does create some hardship, especially in rural areas where in the last few years these cold storage plants have been put in. Encouragement has been given to the farmers to freeze their fruits, vegetables and meats; and they have to come down to get these things at the refrigerated storage. Once meats are frozen, they must be used quickly or be put in a refrigerator. People living out on a dirt road ten or fifteen miles from a cold storage plant have to bring back more than enough for one meal or for one day. These refrigerators which are operated by kerosene or gas flame are not imported in great quantity, but they are used in homes in towns where they are vitally necessary, more so than in the cities where there is an available ice supply or hydro supply. The hon. member said something about importing them when they were available from other countries. Of course these refrigerators can be purchased from Sweden, but they are antiquated and by the time you get them here they cost about four times as much as those being imported from the United States.

As to the possibility of making this type of refrigerator in Canada, I think it is beyond the realm of all practical possibility because it is a welded job, self-contained inside, one tube inside another, and it would be necessary to tool up to make them. The factory which makes them in the United States makes about 300,000 a year. The potential demand for refrigerators in Canada is probably about 15,000, so it would mean that the cost of your tools and dies would have to be absorbed; and it would take about fifty years to absorb the cost of your original set of tools and dies, and they would have been obsolete many years before then.

The minister said that probably this might be the first item considered. I hope he is right. I have no connection with any refrigerator company any more, so it is nothing to me personally. I have none of these outfits in my riding. I am just rising here because I know the market and I know where they are used. When the minister is giving consideration to hardship that has been created for certain people in rural areas, I think he should consider this at least to the extent of allowing some quota or of making some provision for gas and kerosene refrigerators for these rural territories. He said that electrical refrigerators or refrigerators come in under item 415a, which covers gas and electric. But if the department will look the matter up I think they will find that these entries of kerosene refrigerators have all been made at one port, and it would be easy to distinguish between electrically operated ones and kerosene operated ones.

Mr. ABBOTT: As I said, I will look into that question. Total imports of refrigerators last year were something of the order of $4,000,000. It may be, as my hon. friend suggests, that we could pick out the kerosene ones and see what they amounted to. As I have said, I will give consideration to relaxation as soon as it is possible to do that.

Mr. ISNOR: The hon. member for Brandon (Mr. Matthews) brought to my attention a problem which is similar to one I have in Halifax. I think it could be termed a hardship in so far as this particular type of consumer is concerned. I refer to the working man who uses overalls and smocks. If the Minister of Trade and Commerce will look at the figures of exports and our total production in Canada he will find that, whereas the total consumption of textiles was 486,000,000 square yards, the Canadian production amounted to only 268,000,000 yards. Of the remainder the United States supplied 213,000,000 yards. In the projected program there is provision made for only 51,000,000 yards from the United States. Needless to say, that will not fill the consumption requirements as outlined in the figures I have already mentioned.

I am making a plea for the small manufacturer who is endeavoring to produce that type of work clothes, and I would ask favourable consideration by the minister for permits to import United States denims, if applications for such permits are brought to his attention. The same argument applies to denims used in connection with sails for sailboats, awnings and other things. They are imported to a large extent. I have particularly in mind a new manufacturer in Halifax, the Maritime Canvas Converters, who employs thirty-five men at the present time. If they do not procure the necessary yardage for the making of sails—and their export business requires sail making—the sales concerned will be cut off. This is a new business for our end of the country, and I am particularly interested in seeing that nothing be done to stop any export business or manufacturing there.

While I am on my feet, there is one other item I think I should bring to the attention of the minister in the hope that nothing will prevent a firm making rock-wool insulation from getting the material they require. The insulation is made to a large extent from seaweed, but they require a tar wrapping and this is procurable only in the United States. They are unable to sell their products for insulating purposes unless they have a proper covering such as a tar covering to protect the product. They have already made application which has not as yet been accepted. I trust the minister will give this application favourable consideration. So that there will be no mistake about it, the product is rock-wool insulation, made by Guilfords Limited, of Halifax, a fine firm. I do not know just now as to the number of men they employ. It is a new industry in our section of the country and something that is giving employment not only to men in the factory but to men on the shore, the fishermen who collect the seaweed and ship it to Halifax. Will the minister be good enough to take under consideration these two items, namely, United States denims and this covering for the product which I have mentioned?

Mr. ABBOTT: I shall be glad to look at the case which the senior member for Halifax has brought to my attention.

Mr. MANROSS: I am sorry to hark back to refrigerators again, but there is one more thing I want to ask the minister. Another refrigerator manufacturer made refrigerators last year and shipped them out short of certain parts because they were not procurable. The parts have since come in. They are in bond and are paid for by the retail customers in the field or the householders; but the collector of customs will not let the manufacturer clear them out of bond because they are now on the prohibited list. They come under item 432b, which is hollow-ware, vitreous, which is prohibited right now. The manufacturer in the United States cannot take them back because they are obsolete with him

Mr. ABBOTT: I will look into the matter myself. But if it is brought to the attention of the division, it sounds like a case in which a permit could be given.

Mr. FULTON: I should like to ask the minister a question or two in reference to his recent transfer of certain British goods from the prohibited to the quota list. That was announced in the press this morning. I am a faithful reader of the Montreal *Gazette;* I have the statement here which was made last evening by the minister, or issued on his behalf. What was the reason behind these transfers? Was it to expand trade with the United Kingdom by permitting them to sell more to us?

Mr. ABBOTT: In those cases it was found they were items which were available in the United Kingdom which could be transferred to the quota list without involving any substantial imports of like items from dollar areas. In other words, to put it bluntly, we could allow substantial quantities of United Kingdom exports of that kind without the necessity of allowing any comparable quantities of similar goods from dollar areas. There have been a number of cases of that kind. We have been continually in discussion with the British high commissioner and the British trade authorities, looking into cases of that kind where, without appreciably affecting the expenditure of United States dollars, we could so arrange the quota list or the prohibited list as to enable certain commodities to be imported. There were such things as jams, prepared foods and so on.

Mr. FULTON: Silverware, glassware and other items.

Mr. ABBOTT: That is right. I mentioned a number of times previously that a number of items which at first blush might appear to be luxury items were coming principally from soft currency areas where we have extended credits, and where it was desirable that we should encourage exports.

Mr. FULTON: That seems to bear out the statements which have been made from this side, to the effect that the non-discriminatory principle of the bill was a poor principle and that we should not have applied the whole scope of this legislation to soft currency areas when we applied it to the United States. I would go a little farther and say that on December 19, the last day of the pre-Christmas session, I forecast that the government would find it necessary to relax these restrictions against sterling countries if they expected them to continue to buy from us and so expand our trade. So I am glad to see these transfers being made. If the minister has the information available I should like him to tell us the number of items so transferred from the prohibited list to the quota list, and the number of items which have been released altogether from restriction.

Mr. ABBOTT: I gave this information the other evening, but speaking from memory I think some fifteen categories have been taken from the prohibited list, and most of them have been placed on the quota list. I would have to refer to my previous statement to give the exact number, but I believe some fifteen categories were removed the other day from what will become schedule I and placed in schedule II.

Mr. FULTON: Then I should like to know why we cannot take off the restrictions altogether as far as the United Kingdom is concerned. It would not cost us anything in United States dollars. Why, then, can we not relax the restrictions, particularly with respect to such things as electrical appliances, which we need?

Mr. ABBOTT: I have argued this point day after day and night after night. A number of hon. members, some forty-two, did not agree with me, but I thought we had dealt with the amendment of the hon. member for Kindersley, which would have taken the non-discriminatory principle out of this bill and inserted the discriminatory. That is over and done with.

Mr. FULTON: That is not my present suggestion at all. I say we could relax the restrictions, by transfers, if you like, or by amending the schedules as far as the United Kingdom is concerned. On the point that the United States might resent it, if the minister was going to raise that point, I certainly think they would be no more resentful against us for doing directly what we are doing now by this indirect method.

Mr. ABBOTT: There is no indirect method about it. On examination of particular cases we are finding that we can transfer a category from the prohibited list to the quota list without causing what we consider would be too great a drain upon our United States dollar resources, and in such case we do it at once. You have to look into the trade statistics; you have to see what the result would be on the basis of last year's trade figures; you have to make a projection as to what it is likely to be this year, and then you make a policy decision. But that is what we have to do all the time, and I have tried to

indicate that all the powers contained in the bill are so drafted to permit the relaxation of these measures by moving from a higher category to a lower one, but we cannot move them back again.

Mr. FULTON: But your whole trend is to relax restrictions against trade with the United Kingdom.

Mr. JAENICKE: Can the minister tell us how many permits have been issued already under section 4?

Mr. ABBOTT: I gave that information the other evening.

Mr. JAENICKE: I thought I was here all the time, but I missed that. If there are not too many could the minister classify them; that is, could he tell us what goods were affected and from what countries those goods came? I should like also to have some explanation as to how he exercises his discretion in regard to hardship. That is, is it to be a hardship on the Canadian importer, or the foreign exporter, or the Canadian public? I believe the minister mentioned one case when he introduced this bill, or on second reading, where he said the goods had been specially made for the Canadian importer, and I presume that would be a hardship case as far as both the exporter and the importer were concerned. I think the committee should have some explanation as to how this hardship is to be determined; that is, the discretion the minister exercises in determining whether or not there is hardship.

There is another question I should like to ask in connection with this section, and it refers to vegetables, which are prohibited under schedule I. About half an hour ago the minister made a statement in connection with this matter, but I believe at the present time tomatoes are being imported from the Bahamas.

Mr. ABBOTT: That was a hardship case.

Mr. JAENICKE: And from Jamaica. I am not complaining about that, by any means, but I should like the minister to tell us on what he exercised his discretion in that particular case, and who got the benefit of that discretion. Does he allow the importation of all the tomatoes that can be shipped from Jamaica or the Bahamas, or was it just one special case? I believe the committee should have an explanation.

Mr. ABBOTT: Perhaps we had better take these questions by instalments, or I may forget some of them. As I said the other evening, permits issued under the hardship and unusual circumstances clause totalled 5,226 to February 7, with a total dollar value of $7,228,147. The great majority of those goods were from the United States. There were fifty-three permits in connection with other scheduled countries, that is other dollar countries; 446 from the United Kingdom and 169 from other non-scheduled countries. I could place two or three tables on *Hansard* if the committee wished it. They are longish, but not too long, giving some breakdown of the products, values, names of countries, and the like. Perhaps that would be useful to the committee. These tables give most of the information which has just been requested by the hon. member for Kindersley.

Mr. JAENICKE: Will these tables show the hardships?

Mr. ABBOTT: No. I will come to that in a moment. They show the categories.

The tables follow:

TABLE I

Statement of import permits issued against "particular hardship" applications as of February 7, 1948:

U.S.A.		
Lumber	248	$ 935,399
Furniture and fixtures	339	265,923
Radios and cabinets	93	196,257
Washing machines	21	119,821
Electrical supplies	192	240,990
Heating and plant mach.	154	98,638
Textiles	408	714,038
Leather goods	83	24,677
Sporting goods	35	21,469
Paper products	692	547,536
Paint and lacquers	364	260,409
Oil and grease	151	47,891
Yeast	19	55,537
Synthetic casings	11	332,057
Pens, pencils and novelties	265	80,018
Clocks and jewelry	111	17,758
Canned food	34	100,556
Other food	91	377,353
Hospital supplies	36	7,233
Office machinery	6	13,719
Seeds	108	346,666
Glassware	26	12,065
Grapes	56	271,144
Personal	690	18,384
Sundry	321	102,903
Explosives and ammunition	4	2,620
Total U.S.A.	4,558	$5,211,061
Other scheduled countries	53	89,257
Total scheduled countries	4,611	$5,300,318
Great Britain	446	$ 925,120
Other non-scheduled	169	1,002,709
Total non-scheduled	615	$1,927,829
Recapitulation		
Scheduled countries	4,611	$5,300,318
Non-scheduled countries	615	1,927,829
Grand total	5,226	$7,228,147

TABLE II

Statement of import permits issued against "particular hardship" applications as of February 7, 1948:

Great Britain		
Paper	49	$ 31,139
Chinaware and novelties	75	23,192
Food and confectionery	170	666,999
Oil paintings and antiques	11	28,281
Furniture	22	28,466
Heating equipment	2	10,387
Jewelry	14	6,685
Electrical supplies	10	1,798
Furs	11	82,164
Typewriters and office equip.	2	1,700
Textiles	3	6,665
Paint and polishes	16	7,208
Sundry	60	22,036
Silverware	1	8,400
	446	$925,120

TABLE III

Statement of import permits issued against "particular hardship" applications as of February 7, 1948:

Scheduled Countries (Other Than U.S.A.)		
Cuba	5	$ 7,959
Hawaii	13	13,002
Philippines	1	490
Switzerland	30	35,024
Venezuela	2	40
Russia	1	13,702
Guatemala	1	40
	53	$89,257

As to hardship, that is a matter, as I said before, where in the final analysis I really have to exercise a judicial function. A hardship may be that of the importer or of the exporter or of both; or, in the third case he mentioned, a hardship suffered by some particular portion of the whole of the Canadian public. Any of these factors can be taken into consideration. But the question of hardship is qualified by the word "exceptional".

In respect of tomatoes, to which the hon. member referred, it will be understood that they were imported from Jamaica and the Bahamas. The circumstances were these, that the government of the Bahamas, through the British trade commissioner at that point, made representations to us that these tomatoes had been grown for the Canadian market, that there was no effective alternative market to which they could be sent, and that if they were not shipped to Canada a serious hardship would be caused to exporters in that country.

As my hon. friend knows, the Bahamas constitute a small community, and there are not many varieties of products available. After full consideration of all the circumstances, we came to the conclusion that import permits should be allowed for those products.

[Mr. Abbott.]

Mr. JAENICKE: To whom were those permits granted?

Mr. ABBOTT: What happened was this, that the imports were arranged through Mr. Stollmeyer, the British West Indies trade commissioner. They were imported through regular channels of trade, and were put out on the mark-up control having regard to the cost to the wholesaler. The price is 37 cents retail, and the cost was $4.50 a lug of 28 pounds. The top price from the wholesaler to the retailer has been fixed at $6.

Mr. TIMMINS: Is that a continuing exemption?

Mr. ABBOTT: No; it covers just this crop. It was really just to take care of this emergent situation. It was represented to us—and we were impressed by the reasonableness of the representations—that when the restrictions were put on, the growers in Nassau, particularly, who had grown these tomatoes, had been relying upon this market, to which they had always exported.

Mr. JAENICKE: Were shipments allocated to the different wholesalers in the country?

Mr. ABBOTT: I am told that was done by the trade, themselves. That is what has been done in other cases.

Mr. JAENICKE: What does the minister mean by "the trade"? Has the wholesale trade an association?

Mr. ABBOTT: There is the wholesale vegetable trade, and they have an association of which Mr. Burrows is the head, and which undertook to arrange for equitable distribution.

Mr. TIMMINS: Do the tables which the minister has put on *Hansard* include transfers of oranges, grapefruit, lemons, fruit juices and the like to the quota list?

Mr. ABBOTT: They were not taken out of schedule I; they were always in the quota list. Citrus fruits were always under quota; they have never been completely banned.

Mr. McLURE: Perhaps the minister would answer the question I asked yesterday. It was this:

Will Canadian-owned goods now being processed in the United States require a permit to bring them back to manufacturers in Canada?

Perhaps the minister could answer that now.

Mr. ABBOTT: I believe I replied to my hon. friend that I would have to look into the matter. I do not know that I would be able to give him an answer before consideration of the bill in committee has been concluded.

Mr. BENTLEY: I suppose it could be considered an exceptional hardship if one section of the public is deprived of something it has been in the habit of using as household equipment. There would also be exceptional hardship for the merchant who is deprived of that stock in trade. I will refer to the matter of propane stoves. Does either of the ministers have the necessary authority to say that a Canadian manufacturer of a similar product, one which heretofore has been under more or less of a monopoly or has been guided through special agents of those companies, may make his product available to other distributors, so that they will not suffer any hardship? Has either minister power to do that and, if so, will he exercise that power so that there may be some fairness in the matter?

Mr. ABBOTT: I do not know offhand where such power may exist. It sounds somewhat analogous to the equitable distribution measures which were in force during the war. However, I should have to give further consideration to the point just raised.

Mr. BENTLEY: Will you do that?

Mr. ABBOTT: I shall look into it, and see what the situation is.

Mr. JAENICKE: The minister has put on record a list of articles.

Mr. ABBOTT: I have placed three tables on *Hansard,* and if there is any further information it may be made available.

Mr. FULTON: Under this section is special provision with respect to veterans in business made by the minister, or is there some other provision under which those veterans would come?

Mr. ABBOTT: The special provision with respect to veterans applies only with respect to quota goods. And either under this section or under section 5, which deals with the regulations, provision has been made where, in addition to quotas which have been established under the mathematical formula based upon last year's imports, there has been a special quota arrangement for veterans who did not have a record of business during the twelve months prior to the coming into force of the restrictions.

Mr. FULTON: In so far as goods in schedule I are concerned, they are in exactly the same position as anybody else.

Mr. ABBOTT: Yes, those are prohibited. They are prohibited to everyone.

Mr. McMASTER: As items are moved from schedule I to schedule II, or from schedule II to III as the case may be, how are the public notified of those changes?

Mr. ABBOTT: Up to the present it has been done by means of press releases and advice to the trade, if it is something concerning a particular trade. Then there is publication in the *Canada Gazette.* I should think that, after a short while, there would not be so many. The schedules will be finalized—if I may use a word which might be considered objectionable—and then, from time to time, as it is possible to do so, they may be moved from one schedule to the other.

Section agreed to.

On section 5—Regulations governing issue of permits for goods in schedules II and III.

Mr. FULTON: In subsection 1 (g) the governor in council is given power to make regulations suspending the operation of the act with respect to any person or any goods or any class of persons or class of goods. Without going into all the arguments which have been made since this bill first came to the house with respect to dictatorial powers and discrimination, following what was said yesterday by the minister where he stated that he disliked legislation of this type as much as anybody else did, I was wondering whether he would consider confining paragraph (g) to goods and classes of goods, leaving out reference to persons or classes of persons, thereby limiting the discrimination?

Mr. ABBOTT: This is the purpose of that section. There must be some provision of that kind in order to enable exceptions to be made for institutions such as hospitals, or for trade fairs and matters of that kind. Admittedly it is a discretionary provision; I do not deny that. But it is very difficult to spell out any section of this kind so as to meet all the cases which one may wish to meet.

It will be noted that this is a relaxing provision. If authorized by the regulations, the minister may relax these restrictions. It is true that it would open the door to favouritism, if the minister were so inclined. But I really believe that, on balance, it is better to leave it in these general terms, thereby allowing reasonable freedom to the administration to relax these restrictions in cases such as I have mentioned, or in such other cases as it may be deemed proper to take such action. If the power were exercised unwisely, I should hope we would hear about it in the house.

I should have added that this can be exercised only in virtue of a regulation published

in the *Canada Gazette* and tabled in the House of Commons, so that the public will be enabled to see in what circumstances these relaxing powers are exercised.

Mr. FULTON: I appreciate that, also the spirit of the minister's remarks, but I ask again whether he does not think the retention of the words "any goods or class of goods," gives him the discretionary power which he envisages.

Mr. ABBOTT: That is not quite accurate. It has to be by regulation adopted on the recommendation of the minister by the governor in council and published in the *Canada Gazette*. What I would contemplate is this. It might be determined, for instance, that such-and-such articles contained in schedule I which are under prohibition are removed with respect to importations by hospitals, schools or other public institutions. That is the way in which the regulation would have to be drafted. I do not think there could be a general regulation exempting anybody that the minister might determine. This is purely an enabling power giving the governor in council power to exempt by regulation any person or any goods or any class of goods. I think it should be reasonably satisfactory with those safeguards.

Mr. JAENICKE: It is under this section that regulations will be established for quotas. The minister said that the first part of schedule II included foods, which would be allowed to be imported to the extent of 200 per cent of the 1937-39 period. Is that correct?

Mr. ABBOTT: That is correct.

Mr. JAENICKE: And textiles 400 per cent? I presume you will have power to raise or lower these quotas?

Mr. ABBOTT: That is correct. That is why it is not put in the act but is to be done by regulation.

Mr. JAENICKE: How are these quotas to be allocated among the trade?

Mr. ABBOTT: The importer files his list of imports in the base period and is given a percentage of those imports, and the same percentage applies to every importer.

Mr. JAENICKE: How do you arrive at those percentages?

Mr. ABBOTT: In category 1 it happens to be 50 per cent; in category 2, it is 32 per cent. Those figures were arrived at, after consideration of the imports of these articles in the preceding period, on the basis of how much we felt we should try to save in the coming period.

[Mr. Abbott.]

Mr. JAENICKE: What is the preceding period?

Mr. ABBOTT: The preceding period just closed, 1947. Our estimates of savings are based on imports for the base period projected into the coming period, following the imposition of restrictions but with the quotas in effect. In other words, the effect of the textile quota would be to reduce our imports to about 40 per cent of those during the base period.

Mr. JAENICKE: The minister has the power to transfer commodities from schedule I to schedule II, but he would have no power to transfer them from schedule II to I.

Mr. ABBOTT: The governor in council has the power.

Mr. JAENICKE: It has?

Mr. ABBOTT: Not from schedule II to I but from schedule I to II. We can relax but not make more rigid.

Mr. FULTON: Where is the power to transfer from schedule II to schedule III? I do not find that here.

Mr. ABBOTT: We can establish a quota for any article in schedule III if we wanted to under the regulation-making power given by section 5.

Mr. GRAYDON: The easier way would be as you usually do it, just have the Minister of Trade and Commerce write a letter.

Mr. FULTON: Would it not be advisable for you to give yourself the specific power to transfer from schedule II to schedule III? If you restrict a thing in schedule II to a certain percentage of imports in a certain period, I do not see how, by including it in schedule III, you have relaxed your restrictions.

Mr. ABBOTT: I shall have to look into that.

Mr. CASE: Someone has said that everyone is expected to understand the law except a lawyer. The powers given by section 5 are so great that I am wondering what provision is made to protect the individual. Changes have already been made in the schedules. The government has removed certain restrictions and imposed others. How will the average individual be able to keep pace with what is going on? The onus of proof will be upon him. If he contravenes the law the responsibility will be his. Provision is made here that the minister can change the purposes of the section and rearrange the schedules and all the rest of it.

Mr. ABBOTT: As my hon. friend will appreciate, the great majority of the people in Canada are not importers. Relatively speaking, the importers are a small proportion of the Canadian public, and they are pretty well on their toes to learn what these new orders and regulations are. The government is doing its best to keep them informed. I think every item in schedules I, II and III will be pretty well settled for a few months. There may be minor changes from time to time, but I do not think there should be too much difficulty in getting information as to them. In the advertisements I had published I emphasized the point that if information was wanted, they should go to their nearest collector of customs. There are a great many of these collectors at ports right across the country, in any place of substantial size, and up-to-date information is kept in the hands of the collectors, who act as agents of the import control division for the purpose of carrying out the act.

Mr. CASE: Yet by the terms of the bill the information has only to be published in the *Canada Gazette,* which has an extremely limited circulation.

Mr. ABBOTT: That is true; but, as my hon. friend knows, in practice we always issue a press release on matters of importance, and it gets into the papers. We would try to use other vehicles of information as well.

Mr. JAENICKE: Another matter is not quite clear to me. The minister said that the trade will be allocated according to certain percentages. Take textiles, for instance—

Mr. ABBOTT: I do not want to be misquoted. I said each importer was given a percentage of his imports during the base period. All importers are treated in exactly the same way. If Smith and Company imported $100,000 of textiles in the base period they would be allowed to import $32,000 worth this year, being 32 per cent of the quota, and every other importer would be treated in exactly the same way.

Mr. JAENICKE: Suppose all these percentages do not amount to the 400 per cent?

Mr. ABBOTT: The 400 per cent is a global quota. In the base period, textiles were imported to the amount of $10,301,000 from schedule countries, from dollar countries. Four hundred per cent of that is roughly $40,000,000. Imports in the base period were $128,525,000. Forty million divided into the figure I just gave gives us approximately 32 per cent.

Mr. JAENICKE: Is that imports from scheduled countries?

Mr. ABBOTT: Scheduled countries.

Mr. JAENICKE: What is the figure for non-scheduled countries?

Mr. ABBOTT: What figures have you in mind?

Mr. KNOWLES: That is a fair question.

Mr. ABBOTT: Here are the average imports of textiles in the base period 1937-39: scheduled countries, $10,301,000; non-scheduled countries, $30,591,000; total $40,892,000. These were the total imports from scheduled and non-scheduled countries in the base period of 1937-39. That is the average for these years.

Mr. FULTON: What is the total?

Mr. ABBOTT: The total is $40,892,000. That was the global quota. In 1946-47 the imports were, from scheduled countries, $128,535,000; from non-scheduled countries, $52,402,000, or a total of $180,937,000. The global quota is 400 per cent of the average imports in the period 1937-39, and taking the scheduled countries, which are the ones we are interested in, the dollar countries, 400 per cent of $10,301,000 is approximately $40,000,000, something in excess of $40,000,000. Some rapid calculator can figure it out. Forty million is approximately 32 per cent of $128,000,000, and that is the way the quota is arrived at.

Mr. KNOWLES: It is just as clear as mud.

Mr. TIMMINS: Subsection 3 of section 5 is a peculiar one. Perhaps the minister can explain it. It reads as follows:

> Where the governor in council is of opinion that any goods not included in schedules I, II or III, are being imported into Canada for use or consumption in substitution for any goods included in those schedules, respectively, the governor in council may by regulation prescribe that such goods shall be deemed to be included in schedule I, II or III, as the case may be, in which the goods for which the said goods are so substituted, are included.

What is the import of the subsection? Is it a case of there being some subterfuge in the importer bringing in goods which will defeat the purposes of the act, or what?

Mr. ABBOTT: Broadly speaking, that is about right, yes. That is pretty much a standard provision in all customs acts at the present time. If you prohibit the import of an article you have a provision in your act to the effect that if something is manufactured which is in effect a substitute for that, although it may not come within the technical definition of the tariff item, it is then treated in exactly the same way. In other words, substitute goods stand on the same footing, prohibition or quota, as the case may be, as the goods which are set out specifically in the tariff item.

Mr. TIMMINS: The basis of this bill is to save United States dollars. The minister is now stating practically that its basis is protection, is he not?

Mr. ABBOTT: Well, if the scheduled articles include refrigerators and somebody produces something that performs the function of a refrigerator but which would not come within the tariff definition, it should be excluded just as much as the refrigerator. In other words, we had the same sort of thing in the administration of the prices regulations during the war. You would put a price ceiling on a certain article. Well, by changing it slightly, or by getting a substitute you would perhaps try to get a higher price ceiling. I am told that this is a provision which is contained in the Customs Act, in the Excise Act, and in all these acts in order to prevent what my hon. friend has said would amount to an evasion of the regulations by the use of a substitute product.

Mr. FULTON: Has the minister considered the point I raised in regard to down-grading from schedule II to schedule III?

Mr. ABBOTT: I have been answering a lot of other questions and I am afraid I have not had time to give consideration to it. If my hon. friend has no objection we can let it stand and I can come to it later.

Mr. ADAMSON: I want to ask a question similar to the one asked by the hon. member for Parkdale. Who is the judge of substitution, the minister? If so, what minister?

Mr. ABBOTT: The section provides that the governor in council must be of the opinion, and may, by regulation, prescribe. It would presumably be on the recommendation of the Minister of National Revenue, if it were brought to his attention in the course of his customs officers seeing these goods coming in through the customs, or on my recommendation, if I were informed of it. It is the governor in council that must take the responsibility.

Mr. ADAMSON: The field is wide open.

Mr. TIMMINS: Because I may not have another opportunity of asking this question, I shall turn from the side of the bill that we have been looking at to the positive side. I am wondering whether I should not get some information from the Minister of Trade and Commerce with respect to the positive side of this bill. In other words, it has been said here in the committee that, although we are prohibiting and putting quotas on imports, on the other hand we are also creating industry to produce commodities and so on in this country. Can the minister give us some information in concise form, or can he put on *Hansard* those industries which have been touched by reason of the positive side of this bill, or those projects which are now brought into being because of the influence he has exerted on industry to create certain new products which formerly were imported from the United States or other hard money countries?

Mr. HOWE: This bill deals only with the restrictive side of the program. There is another side that is being actively pursued. At present the most important development is growth of the manufacture of parts. The pressure for additional parts and components from Canadian sources has been so great that the government has decided to review the stores of machinery held by Canadian arsenals, and to rent out machines that can be useful to various manufacturers in expanding their operations. Everywhere in Canada, any space capable of making components is being explored and picked up by Canadian manufacturers.

Mr. TIMMINS: We are not dealing with that positive side of the matter in this bill. In what bill will we be dealing with it? Do we deal with it under P.C. 4678, or is it just some nebulous thing that we are talking about? Where is the legislative authority, or where is the bill which brings up this discussion and which affects industry?

Mr. HOWE: Fortunately we do not need to pass legislation to encourage new industries or expand existing industries. We can do that without legislation. We are not passing a bill for expanding industries. That takes care of itself.

Mr. TIMMINS: The minister said something about it in his speech. I took it that it was a policy which had been brought down by the government, under which the minister was authorized to bring about these changes and stir up industry along new lines. I remember earlier in the session the minister mentioned something about that.

The DEPUTY CHAIRMAN: Order. I must ask the hon. member to deal with the section of the bill that is now before us.

Mr. TIMMINS: I may not have another opportunity. I will not labour it.

The DEPUTY CHAIRMAN: Order. The hon. member can hardly offer the excuse that he may not have an opportunity. I must remind him that speeches in committee must be strictly relevant to the clause under discussion.

Mr. TIMMINS: Without labouring the point, might I ask the minister if he will give us some information, or when we might expect it?

The DEPUTY CHAIRMAN: The difficulty is that when the committee branches off into a discussion like that, if one member does it other members will also want to do it. The rule is intended to prevent that sort of thing, so that the committee can deal specifically with the clause under consideration.

Mr. ABBOTT: I think the point raised by the hon. member for Kamloops is a good one and might be met by inserting an additional provision as (g) in this subsection 1, reading:

Providing that any goods included in schedule II shall be deemed to be included for the purposes of the act in schedule III in place of schedule II.

In other words, a corresponding provision with respect to schedule II goods. If that is acceptable I will ask the Minister of National Revenue so to move.

Mr. McCANN: I move accordingly.

The DEPUTY CHAIRMAN: Hon. members have heard the amendment. Does it meet with the approval of the committee?

Amendment agreed to.

Mr. JACKMAN: Will the minister give an opinion on the request made by several members on this side as to the publication of the decisions particularly under schedule III, by the Minister of Trade and Commerce? Was any conclusion arrived at by the ministers?

Mr. ABBOTT: Perhaps that can be considered when we come to section 9. I have given some thought to the suggestion made by the hon. member for Rosedale and, in so far as it is possible to do it, I am sure it would be desirable that it should be done, but I question whether it is really practicable. I do not quite see how it would work out except for broad categories such as the automobile industry or the electrical industry. Where an application is made to import a printing press, I find it hard to see how one could lay down a general principle, except the principle of the appreciation of all the circumstances, first, as to whether it is necessary in Canada, and, second, as to whether it would contribute either to greater export trade or to production in Canada which would save imports.

Mr. JACKMAN: It merely protects the liberty of the individual, which is the paramount consideration.

Mr. ABBOTT: My hon. friend is speaking in generalities. I am as much interested in the liberty of the individual as anyone else in this house; but I am trying to look at the matter from a practical point of view to see what we can do, and speaking from legal experience I do not see how one could set up case law in the administration of a schedule such as schedule III. If it were possible I would be glad to do it.

Mr. JACKMAN: May I ask a question about a suggestion I made to the minister, which has been described as trading cattle for cabbages? The minister knows what I refer to; but to refresh his memory, I may say it occurred to me that he would be the gainer under the act if he were to allow a certain number of cattle to be exported to the United States and, with the proceeds received from those cattle, he could purchase $8,000,000 worth of cabbages, lettuce, beets, carrots, and one or two other vegetables which I enumerated on a former occasion. There would probably be a net United States income in the result, and among the premises on which I based the suggestion was the fact that when people are as much accustomed as the people of Canada are to a certain diet and cannot get salads, they choose some substitute other than more potatoes or additional bread. They eat more meat or fish and such fruit as can be imported. So that if the meat that would otherwise be consumed and would not be available for export to Britain, and the fish as well, were sent to the United States, where there is a hungry market for these commodities, we would have funds with which to supply the normal and nutritious diet which the Canadian people expect and rightfully expect. The minister knows of the suggestion, and I should like to know what the departmental officials have said regarding it.

Mr. ABBOTT: I have listened with attention to my hon. friend's remarks and I am afraid I have no special comment to offer on them.

Mr. JACKMAN: I should like to have an answer to the suggestion. It is a constructive one and, as far as one can see without having all the details of administration presented to one, there is no reason why it should not be considered. I do not make this suggestion for the simple purpose of speaking, and I wish to have an answer.

Mr. ABBOTT: Like all my hon. friend's suggestions, it will be considered.

Mr. JACKMAN: The minister does not realize the nature of these regulations. If he had some idea of what constitutes the normal

healthy diet of the Canadian people—not the diet he said he was brought up on, so healthy and apparently so adequately, but the normal diet recommended by his own colleague the Minister of National Health and leading nutritionists—he would realize that among the articles specified are fresh leafy green vegetables daily. That is recommended by nutritionists throughout the world. The minister endeavours to make out a case on the theory that, because our forefathers did not have certain things, we do not need them. I might remind him that the turnip was discovered by Lord Townshend for the express purpose of feeding cattle over the winter. Otherwise, cattle had to be slaughtered, but he developed turnips for this purpose, and that is why we can keep stock in cold climates from one season to another. The world progresses. I do not wish to take up time unduly, but if the minister does not give me an answer I shall be compelled to enumerate some of the principles of nutrition as outlined by Parran, surgeon general of the United States, and other nutritionists throughout the world. If the minister undertakes to get an answer from his officials in regard to the suggestion I made, of trading cattle for cabbages, I shall be glad to resume my seat and keep it.

Mr. ABBOTT: I am afraid we shall have to listen to my hon. friend's views on nutrition. I cannot give and do not intend to give a further answer.

Section agreed to.

On section 6—Ministerial power to prescribe procedure, forms, etc.

Mr. GRAYDON: Mr. Chairman, before this clause is taken up by the committee, might I be given an opportunity to say something by way of privilege at this time, concerning a matter which, I am sure, is very close to your heart, as it is to mine. It could not be brought up in the formal session of the house, having regard to the established amenities of parliament, but I now crave the indulgence of this committee for a moment or so.

The press gallery of this parliament is an integral part of our parliamentary institutions and our parliamentary machinery. Its members are very close to us in our work, in our friendships and in our affections. There have been few instances since I came to the house, or since you came into it, Mr. Chairman, in which we have lost one of the members of the press gallery while the house was actually in session, and because of the cloud which has been cast over the parliamentary scene by the death yesterday of an outstanding correspondent, the late Mr. Kenneth Cragg, I should like to pay a tribute to his memory, if I may do so on this occasion.

He was a very close friend of yours, Mr. Chairman, as he was of mine and of many other members on all sides of the house. Mr. Cragg was an outstanding journalist. He was a widely-read author; a kindly and witty philosopher; a fine public-spirited Canadian; a devoted husband and father. The sudden passing yesterday of this illustrious Canadian removed a man while he was yet in harness; and perhaps he died in the way in which he would have wished.

He was parliamentary correspondent for the *Globe and Mail* for five years and, while in that position, as in previous positions which he filled so well, he had built up a high reputation for newsy, accurate, fair and broad-minded writing and reporting from here and elsewhere. Throughout his journalistic career his agricultural background kept peeping out from behind in almost every story he wrote for public consumption. I think that added to the richness and the value of the contributions he so liberally made to the public in general. Written under the handicap of most indifferent health, his most recent volume called "Father on the Farm" has cheered the lives and revived the memories of many thousands of Canadians whose interest in agriculture has never flagged nor failed, regardless of the avocation to which they later went during their lifetime. That work is in a class of its own and its author has made a contribution of a signal character to the Canadian literature of our time.

The press gallery will miss one of its most popular personalities; the *Globe and Mail*, one of its high-class journalists; parliament, one of its most honest and interesting commentators, and Canada, one of her finest native sons. Hon. members on all sides of the house this afternoon will, I am sure, want to pause to pay tribute to the life and work of Kenneth Cragg and to extend to Mrs. Cragg, Brian and Katherine, his father and his aunt, our deep and genuine sympathy in this their sad hour of trouble and sorrow.

Mr. GARDINER: In view of the close association which Mr. Cragg has always maintained with agriculture I wish to speak, on behalf of the government and I am sure I speak on behalf of all members on this side of the house, in agreement with all that has been said by the hon. member for Peel. Since coming to the House of Commons, I have never been more shocked than I was yester-

day when it was announced to my office that Mr. Cragg had passed on. He was in my office just shortly before, as he has been often ever since he has been associated with the gallery during my time in Ottawa. Scarcely a week has gone by that he has not been in to inquire with regard to agricultural matters. I wish to say that all the reports he has made on matters having to do with agriculture, and more particularly with regard to anything that has been said in this house, from any side of it, on behalf of agriculture, have been made in a manner which not only did credit to the paper for which he wrote but showed a consideration for and understanding of farmers throughout Canada—and throughout the world for that matter—which is shown by very few who write on public matters.

On one occasion I had the privilege of driving with him over a considerable part of the province of Manitoba; and at other times over other sections of Canada. I always found him most anxious to become correctly informed as to the life of people on the farm. Anyone who has read his delightful book cannot avoid being impressed with the knowledge which he himself had through experience with persons who are typical farmers. Anyone who has had the home experience that he must have had in order to make it possible to write a book of the kind, is in a position to speak for and of farmers in a manner which few others can. I think not only this house but Canada, and more particularly that section of Canada for which he wrote daily, has suffered a great loss in the passing of this revered late member of the press gallery. I join with everything that has been said by the hon. member for Peel in paying our respects and tribute to him and in passing on our sympathy to his immediate family.

Mr. MacINNIS: Might I be allowed, Mr. Chairman, on behalf of this group to join in the expressions of sympathy to the family and relatives of the late Mr. Cragg. Mr. Cragg was one of the few members of the press gallery whom I could call my personal friend. It was always a pleasure to meet him and to talk with him. Such was his nature that I think he would be indeed surprised to hear the comments that have been made today in this house in regard to his character. I am glad to be able to associate the members of this group with what was so well said by both the Minister of Agriculture and the hon. member for Peel.

Mr. LOW: I feel that I should associate the group I represent with all that has been said so well by other speakers in connection with the untimely passing of this member of the press gallery. Being one of the newer members of the House of Commons I did not have the privilege of knowing Mr. Cragg very well. But I feel sure that I am expressing the sentiments of all my group in associating ourselves with what has been said and in expressing our sincere sympathy to those who are left to mourn him.

The CHAIRMAN: The committee will now revert to the consideration of the bill. We are considering section 6.

Mr. JACKMAN: Section 6, subsection 1, paragraph (c) reads as follows:

(c) in particular cases or classes of cases, from time to time, prescribe terms of, and conditions to a permit or the permission granted in a permit additional to those prescribed by regulation.

Will the minister, if he will, explain the necessity for taking power to vary the terms or conditions of a permit in addition to those which are prescribed by the regulation? Surely he will be able to do all he wants to do under the regulation, without taking this additional authority.

Mr. ABBOTT: The difficulty there is this. As my hon. friend points out, the section is fairly broad in its terms. Here is a case where it is felt that it may be necessary to issue a ministerial direction. A quota holder has a certain quota for oranges or whatever you like. He proceeds to sell those in an area close to home, where perhaps it is a little more profitable, and he does not continue to supply the customers he has been in the habit of supplying. It is similar to the provision we made for equitable distribution during the war, where the Commodity Prices Stabilization Corporation, in importing goods, took steps to see that there was equitable distribution through the normal trade channels. Then again a man may have a quota—I am just citing examples—on textiles, which is a dollar quota. Instead of importing staples such as denim for overalls, and so on, he may go into high-grade textiles for bedspreads, or something like that. I am advised it is almost essential that there should be some power to impose, as a condition of the continuance of the quota, that it should be exercised equitably in relation to the import of goods by other people. It might be possible to phrase that section in a better way; I do not know. I have been worrying about it myself, but I have outlined to the committee why that power is needed. I freely concede it is one which can be abused; there is no doubt about that, but I am afraid that is also true of some other provisions.

Mr. HACKETT: I think this is a startling departure. It shows how easy it is to follow the downward path. There was a period when we were, scandalized, I was going to say, by government by order in council. That seemed a radical departure from the rule of law as we understood it. This section empowers the minister who is in charge of its operation to follow his own whim. He does not even require an order in council; he does not even require a regulation. In fact there may be a regulation or an order in council to the contrary, but in the exercise of the discretion which is his he may determine what transaction may be entered into. But it does not stop there. If the minister is otherwise occupied anyone else who is in his service may exercise these extraordinary powers for him.

I submit that it is time to call a halt. Whatever may be the emergency—and I am not going to worry my hon. friends opposite with the ease with which they produce emergencies—arising out of this situation, it is an unimportant matter compared with the urgencies of war. Yet when the country's very existence was in the balance the government did not ask for the latitude which is exacted and taken in this section.

Mr. HOWE: We had far more latitude during the war. We did not even require an act.

Mr. HACKETT: The minister is quite a latitudinarian, I admit, and we could probably find instances in which his interpretation of the law has been generous as far as his own powers were concerned. But I would be very much amazed if the minister could point to any statute in which a similar provision appears. This paragraph (c) of subsection 1 gives the minister power to act against the law and in spite of the law; I suggest to the government, with such seriousness as I can command, that it abandon this final encroachment upon the liberty of the citizen. The citizen must know the law; he is supposed to know the law; it is his duty to know the law. What opportunity is there for him to know the law? Somebody has said the law is fickle, but here the law is nothing but the whim of the departmental employee who exercises discretion under the minister. I submit that this means there is no possibility of knowing the law or of complying with the law. It is the negation of the rule of law.

Mr. ABBOTT: I do not suppose this will command this provision to my hon. friend, but there is a similar section in identical terms in the Foreign Exchange Control Act.

[Mr. Abbott.]

Mr. HACKETT: Would the minister be good enough to point it out? I am always looking for light.

Mr. ABBOTT: Yes. It is section 36 (1):

> Subject to the provisions of this act and the regulations and under the control and direction of the minister, the board may
>
> (b) in particular cases or classes of cases, from time to time prescribe terms and conditions for permits additional to those prescribed by regulation or prescribe special forms of permits in cases where none is prescribed by regulation.

Mr. HACKETT: Surely the minister is not going to argue that the passage he has just read is comparable with paragraph (c) in this bill?

Mr. ABBOTT: Almost word for word. That is where it was taken from.

Mr. HACKETT: I would point out to the hon. gentleman—and he is far from lacking in powers of observation—that the board is, to begin with, something quite different from the minister.

Mr. ABBOTT: The board is the creature of the minister, the agent of the minister.

Mr. HACKETT: We have had reason to complain of that, too; but the board is supposed to be a composite entity which meets and keeps minutes of its deliberations and has to put them on record. This paragraph reads:

> Subject to this act and the regulations, the minister may
>
> (c) in particular cases or classes of cases, from time to time, prescribe terms of, and conditions to a permit or the permission granted in a permit additional to those prescribed by regulation.

If that means anything it means the minister can tear up the regulations whenever it pleases him. I submit, with great deference and respect to the hon. gentleman who is conducting this bill through the house, that the provision which is found in the Foreign Exchange Control Act, and which has gotten us into enough trouble, is altogether different, altogether more restricted than the clause before us at the moment.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The DEPUTY CHAIRMAN: When the committee rose at six o'clock we were dealing with section 6.

Mr. KNOWLES: In the drafting of this bill, or since, has consideration been given to altering this section so as to make it read that these regulations would be made by the governor in council?

Mr. ABBOTT: Perhaps I should explain that the regulations are made and must be approved by the governor in council. This section covers acts which the minister may do, apart from regulations. The first of these is to prescribe the procedure to be followed in applying for and issuing permits. That is pretty much an administrative job, namely, filling out form number so and so. Then, it is to prescribe forms necessary for the administration of the act.

Before the dinner recess we were discussing paragraph (c) which contains, I concede, very broad powers to be exercised by the minister in dealing with individual cases. It is a power similar to that contained in the Foreign Exchange Control Act, the board in that instance being the agent of the minister.

I have given, personally, a great deal of thought to this paragraph, wondering how it might be framed in terms which would lay down some definite criteria as to the basis upon which the minister may act. But this is an extraordinarily difficult thing to do.

As I have said, the purpose is to enable fair treatment to be exercised between different importers. Perhaps by way of illustration I might read to the committee an alternative section which I had drafted, and which might commend itself as being less objectionable in form than the one which now appears in the bill. It would read in this way:

(c) In particular cases or classes of cases, where it is advisable in order to ensure that

(i) the import of goods by a person pursuant to a permit is carried on equitably in relation to the import of goods by other persons to whom permits have been granted,

or,

(ii) goods imported pursuant to permits are distributed so as to be available equitably to consumers

prescribe, from time to time, terms of and conditions to a permit or the permission granted in a permit additional to those prescribed by regulation;

That would set out the cases in which the minister might exercise that discretion in conformity, of course, with the provisions of the act and of the regulations which have to be approved by order in council. As I say, after discussing the matter thoroughly with those who were charged with the administration of similar provisions under wartime measures, and who will be charged with administration in this instance, it was felt that it is almost essential for the efficient administration of the act that discretion should be vested in someone to deal with individual cases.

In the case of the foreign exchange control board it is vested in the board which, after all, is merely the agent of the minister. It did seem to me that it was better here to place the responsibility squarely upon the minister. It is true that in practice it would be exercised by some one whom he would delegate to do it. In the particular circumstances we have here, the head of the emergency import control division is one of the assistant deputy ministers, Mr. Taylor. That is the explanation of this paragraph (c).

I believe it is fair to say that it is the only subsection here which, in form, is objectionable as perhaps conveying somewhat too broad powers.

Mr. KNOWLES: The minister has said two things which, it seems to me, strengthen our argument that this power should not stay solely in the hands of the minister. He has indicated that it will be difficult to indicate the criteria to be laid down; and he has also admitted that paragraph (c) as it now stands gives the minister very broad powers indeed. For these reasons it seems to me that the minister himself should want the protection of at least having to take this matter to his colleagues in the cabinet.

Things have moved a great deal in this parliament. It is not long since we were blasting against the idea of government by order in council. But here we have reached the point where so much power is being placed in the hands of a minister that we would welcome a return to the earlier days when ministers had at least to get the definite and specific approval of their colleagues in the cabinet in the form of orders in council.

Mr. ABBOTT: I would gladly do that. I raised exactly the same question my hon. friend has raised when I was discussing the matter with my advisers. I said, "Surely these cases would not be so numerous that I could not make individual submissions to council each time in respect of hardship cases or cases of inequitable distribution". They assured me that in practice it was found, when similar questions arose in connection with wartime prices and trade board regulations, that, of necessity, there must be discretion in someone to act promptly in these individual cases.

It is not desired to have this power in order to be arbitrary in the administration of the

act. It is to enable hardship cases to be dealt with promptly and to make sure that, if a man has a quota and he is not living up to his obligations under it, he can be forced to do so.

As I say, in view of my own philosophy in these matters, I am just about as much worried—or probably I should say bothered—by the broad general powers as is any member in the committee. But I cannot avoid being influenced by the advice I am given by people in whose judgment in these matters I have implicit confidence, because I have seen the responsibilities they have to carry.

If the committee felt that this should be a matter to be dealt with by regulation, which would mean individual submissions to council, I do not know that I could resist too strongly. I think I should be bound to say, however, that I believe it is more desirable to do it the other way.

Mr. KNOWLES: I am glad to know the minister is bothered about it the way it stands. My further submission is that underlying this whole business of placing so much power in the hands of the minister is the notion that this is an exceedingly temporary piece of legislation. I am afraid that the disequilibrium of world trade is something that may be with us for some considerable time, or until we take more effective measures than these to deal with it, and that it is unwise to go ahead on that premise.

There is always the danger—and it does work out that way—that powers which we give to individuals temporarily, stay there for a very long time. I hope the minister will give the matter further thought.

Mr. ABBOTT: I will. This very paragraph is primarily directed against quota permits, or the administration of the quota permits system, which has some complexities in its day-to-day administration. As I say, I have a suggested alternative to paragraph (c) which I think lays down pretty definitely the criteria which must govern in the exercise of these discretionary powers. But I do urge strongly that the committee leave that discretion in there because, as I repeat, I am assured by those who have the onerous task of administration that it is an essential thing to the smooth and effective administration of the act, in the interests, not of the people who have the administration of it, but rather in the interests of those who are subject to its administration.

Mr. JAENICKE: I appreciate what the minister has said respecting the administration of the act. I also appreciate what was said by the hon. member for Stanstead and the hon. member for Winnipeg North Centre. It seems to me that paragraph (c) of subsection 1 of section 61 is particularly objectionable because of paragraph (d), whereby the minister can delegate these extraordinary powers to some person who is not responsible to parliament. Might I suggest to the minister that he delete paragraph (c) altogether, or, if not, that he add by way of amendment the following words: "except as to the powers of the minister granted in this section".

Mr. ABBOTT: I would not object to accepting that last suggestion. I think it is desirable under the administration section to give the minister power to delegate his authority but not power to exercise discretionary powers conferred by section 6.

Mr. JAENICKE: That was my suggestion. Would the minister move an amendment accordingly?

Mr. ABBOTT: Perhaps in order to cover it I might ask one of my colleagues to move the more restrictive language which I indicated to the committee by way of amending paragraph (c) and a consequential amendment to paragraph (d) to exclude from its operation the discretion exercised under paragraph (c).

Mr. GREEN: Just what would paragraph (d) cover?

Mr. ABBOTT: The actual granting of the permit and other routine details in connection with administration. Perhaps that is necessarily implied; I do not know. I am told that it is usual to have this provision in the administration section. There is a great deal of routine work such as the signing of permits. There are some 7,000 quotas, I am informed. It is that sort of thing. I would hate to have to put my signature to all these quotas.

Mr. GREEN: Would not the power to sign permits be covered by section 6 (1) (a), which gives the minister power to prescribe the procedure to be followed in applying for and issuing permits? On the other hand, this very wide power given in paragraph (d) authorizes any person under the minister's control and direction to act for him. That is a wide-open power to delegate, and I suggest that it is not necessary.

Mr. ABBOTT: That is qualified by the words, "under his control and direction". The minister must always take the responsibility. He must accept responsibility for the acts of those whom he appoints to act for him. Section 3 (1) provides that the minister may issue, vary, or revoke permits, and so on and

so forth. I do not think that is a dangerous provision. Frankly, it did not give me special concern. But, again frankly, section 6 (1) (c) did. I felt that it was including broad discretionary powers which were pretty sweeping.

Mr. GREEN: I suggest, in support of the hon. member for Kindersley, that the minister make his amendment to 6 (1) (c) and delete 6 (1) (d) altogether. I do not think any harm will be done to the efficient administration of the act by deleting paragraph (d).

Mr. ABBOTT: I am told that a similar power is contained in a great many acts, and not only war emergency acts. The treasury solicitor tells me that. I cannot speak from personal knowledge, but I would hesitate to strike out the paragraph without consulting the legal advisers to see what the possible effect might be. Perhaps in the meantime my colleague would move the amendment to paragraph (c).

Mr. ST. LAURENT: I move:

That paragraph (c) of section 6(1) be deleted and the following substituted therefor:

"(c) in particular cases or classes of cases, where it is advisable in order to ensure that

(i) the import of goods by a person pursuant to a permit is carried on equitably in relation to the import of goods by other persons to whom permits have been granted, or

(ii) goods imported pursuant to permits are distributed so as to be available equitably to consumers

prescribe, from time to time, terms of and conditions to a permit or the permission granted in a permit additional to those prescribed by regulation."

Mr. MacINNIS: The amendment is long and somewhat involved; if the minister has not copies available I suggest that it stand until copies can be printed and circulated, and we can come back to the clause later this evening.

The DEPUTY CHAIRMAN: It is proposed that 6(1)(c) stand for the time being.

Mr. ABBOTT: And there was a consequential amendment to 6(1)(d), Mr. Chairman. I would ask my colleague to move it.

Mr. ST. LAURENT: I move:

That 6(1) (d) be amended by adding thereto the following:

"except in the exercise of the powers conferred by this section."

Mr. ABBOTT: That can stand until tomorrow.

Mr. GREEN: Can the minister give any further instances in which this power under paragraph (d) would be required?

Mr. HOWE: If we attempt to decentralize, which we must in the administration of capital goods schedules, and permits were to be issued, say in Vancouver, it would be necessary to delegate to someone in Vancouver the powers of the minister to issue permits. My hon. friend smiles, but there will be about 15,000 permits a month required. They could not all be issued from a central office. The department has branch offices today which are being equipped to issue permits.

Mr. GREEN: The power the minister requires is given under 6(1)(a), by which he may prescribe the procedure to be followed in applying for and issuing permits.

Mr. ABBOTT: A legal question is involved. I do not think it would override the specific provision of clause 3, "except in accordance with a permit issued by the minister." It is open to question; I do not know.

Mr. MILLER: I take it that the minister has in mind appointing someone to act under himself as a sort of head of a permit issuing body. May I suggest that any such official should be restricted in his powers of making what are virtually orders in council such as was done under the wartime prices and trade board. Their orders were issued over the signature of Donald Gordon. I have no doubt he had the orders drawn and submitted them to the minister, who gave them his blessing on the say-so of Donald Gordon and then gave them the force of law by order in council. We have often pointed out on this side of the house that in too many cases the ordinary rights of the individual to defend himself in court were taken away by those orders.

I urge that the minister in administering this part of the act should make certain that when orders in council are drawn creating regulations these regulations should be gone over by his law officers or by the law officers of the crown, and carefully considered, and that they should not be the brain child of a single individual who may be as smart as any child of Adam could possibly be. I suggest that the regulations which are made by orders in council should be carefully considered, possibly not by the minister who will not have time to do that, but at least by more than one law officer of the crown. In the past, under the wartime prices and trade board regulations the orders in council were, in my opinion at least, the brain child of some expert who did not know all that he thought he knew.

Mr. ABBOTT: May I say to my hon. friend, from experience extending over five or six years during the war, with fairly close

contact certainly with the wartime prices and trade board regulations, all these regulations were pretty carefully considered not only by the law officers of the crown but by the minister, and in many cases by his parliamentary assistant, and that they were not in any case the brain child of any one individual. Here there is no power on the part of anyone to make regulations. The regulations have to be adopted by the governor in council. The wartime prices and trade board particularly had power as a board to make certain orders. That, of course, is not the case here.

May I revert for a moment to the point raised by the hon. member for Vancouver South. I am advised by the treasury solicitor, who is in front of me, that the only power which the minister would have to delegate under section 6, paragraph (d), with the amendment as proposed, relates to the issue of the permits. There is no other power in the act which he is given and which he would have the power to delegate.

Mr. GREEN: Would the minister be willing to put in paragraph (d) that the power is only to apply to the issuing of permits?

Mr. ABBOTT: It relates only to permits; it might relate to the detail in connection with the issuing of permits. It might cover a little wider territory than the actual signing of the permits. I have already proposed an amendment which excludes from its operation the exercise of this discretion conferred under paragraph (c). That must be exercised by the minister personally if the amendment which I propose carries; therefore I am informed that the remaining discretionary power in the minister as minister is in connection with the issue of permits that he can delegate, subject to his control and direction. But that is the only power given to the minister as a minister as distinct from what is to be done by order in council. Therefore, subject to check, I think my hon. friend's point is met.

Mr. FRASER: If a person or firm makes an application for a permit and is turned down, is there any appeal from that decision?

Mr. ABBOTT: Yes, there is in this sense. If he is turned down in the ordinary routine course by the officials of the emergency import control division, then there is an appeal to the minister, and I have had a good many cases of that kind.

Mr. HACKETT: Under what section?

Mr. ABBOTT: It does not have to be under any section, because I am the only one who has the power to issue permits. It is the minister who does it. If the applicant is not satisfied with the action of the minister's subordinates he is entitled in every case to go to the top.

Mr. FRASER: If an applicant felt that he had something further on his case he could go to the minister?

Mr. ABBOTT: It is being done every day.

Mr. HACKETT: That was the type of administration that was criticized I think in the Pioneer Laundry case. It was said that the appeal to the minister from the finding of his department was, in reality, not an appeal. I believe it was argued there that the discretion exercised had to be a judicial discretion. I do not see anything of that description here. I suppose that finding meant that reasons had to be given; that the department had to give reasons which would satisfy a court.

Mr. ABBOTT: My hon. friend knows that the Pioneer Laundry case was a taxation case which related to the principles on which depreciation would be allowed. The finding of the privy council was, as I recall it, adverse to the crown. While the principle may have been the same, I think the circumstances are really quite different here. Here it is the power of discretion. The minister exercises his discretion almost as a judge, taking into account questions of fact, and in the case of quotas it is on a mathematical formula. There is really no discretion there at all, except to the extent that the governor in council may change the percentage or the basis on which quotas are issued.

Mr. HACKETT: May I ask the minister if the answer to the question put by the hon. member for Peterborough West should not be, no, there is no appeal?

Mr. ABBOTT: Legally there is only one man who settles it, and he is the minister.

Mr. CASE: There is no appeal from the minister.

Mr. GREEN: The minister may change his mind?

Mr. ABBOTT: That is right. Even officials might change their mind. The hon. member for Vancouver-Burrard will remember the famous merry-go-round case.

Mr. MILLER: A few moments ago the Minister of Trade and Commerce indicated that there might be 15,000 permits a month. Would that be under schedule III only?

Mr. HOWE: Yes.

The DEPUTY CHAIRMAN: Is it the intention of the committee to permit paragraph (c) to stand? There is an amendment before the Chair.

Mr. ABBOTT: I think it is desirable in any event, regardless of what happens to paragraph (c).

The DEPUTY CHAIRMAN: Is the amendment acceptable to the committee?

Mr. HAZEN: Section 6 was not to pass until we were given a copy of paragraph (c).

Mr. ABBOTT: I have a few copies of the amendment here which I shall distribute.

The DEPUTY CHAIRMAN: Paragraph (c) stands for the time being.

Mr. ABBOTT: We shall take up another paragraph.

The DEPUTY CHAIRMAN: Section 6 stands and we shall go on to section 7.

Mr. GREEN: May I ask a question about subsection 2 of section 6, which reads:

> In this act, "minister" means, with respect to the issue of permits for the imports of any goods, the minister charged by the governor in council with the administration of this act with respect to those goods.

Why is that section not drawn to give the Minister of Finance power over the goods listed in schedules I and II, and the Minister of Trade and Commerce power over the goods listed in schedule III? It would seem that the way the section reads now there could be changes made from day to day; one minister could be given only half of schedule I, and all kinds of changes made. It would seem more sensible to define actually which schedules the ministers are to deal with.

Mr. ABBOTT: The thought behind it was this. The intention at the outset is, of course, first, that the Minister of Finance will be charged with administering schedules I and II which relate to consumer goods, and the Minister of Trade and Commerce schedule III, which relates to capital goods. However, it was felt that perhaps it would not be well to name these ministers as such in the act. If amendments were made it might be desirable, for instance, that some other minister such as the Minister of Agriculture might be charged with restrictions on that type of goods. So that it was felt there could be no public harm in leaving it to the executive to determine which member of the cabinet should be charged at a given time with the administration of a particular section of the act. As the committee knows, at the present time, and so far as we foresee in the future, schedules I and II, consumer goods, will be under the Department of Finance and capital goods under the Department of Trade and Commerce, which already has an export and import division.

Mr. GREEN: Is it the intention that in one schedule one minister may be responsible for half the goods and another minister for the other half? As this section is worded, that is possible. I suggest that at least the section should be so worded as to apply to schedules, so that a minister may be in charge of one whole schedule or a number of schedules. Is one schedule to be divided up among any number of ministers? Is that the intention?

Mr. ABBOTT: No. The intention is that the schedules will be administered, I and II by myself and III by the Minister of Trade and Commerce. An order in council will have to be passed confirming that, and that will be published in the *Canada Gazette* and tabled in the house; but I think the sections should be left in such form that that could be changed by executive order rather than having to wait, in case parliament was not in session, for an amendment to the act. I do not believe that any publicity must be given it. It is certainly not the intention to split up the schedules between two or three ministers.

Mr. GREEN: Then I suggest that the minister should move an amendment so that the section would read that in this act "minister" means, with respect to the issue of permits for the import of goods in any one or more schedules, the minister charged by the government with the administration of this act with respect to those goods, or with respect to that schedule. Then you put it on a schedule basis rather than on the basis of goods as it is at the present time.

Mr. ABBOTT: I would have to consider that.

Mr. POULIOT: I do not want to butt in, but if my hon. friend is through I will respectfully submit the following. In the first place, I renew the expression of respect for and confidence in the minister, and I believe that for the operation of this kind of legislation he could find in his department no better man than Mr. Taylor. He is fair and he does well. But regarding this section, we are going round and round. We are in a vicious circle and we are coming back to the same place. Formerly, each minister submitted his proposals to the cabinet and the whole matter was decided by the cabinet as a whole. Afterwards, during the war, there were committees of the cabinet, and now we are delegating the powers of the government to a single minister.

An hon. MEMBER: No; several ministers.

Mr. POULIOT: No; a single minister at a time. Therefore the Minister of Finance, the Minister of Trade and Commerce, the Minister of Agriculture or any other minister will, in due course, have the powers of the whole cabinet, powers which were exercised before by order in council, to decide upon certain matters, and that minister will be given a blank cheque.

I submit that the work of the government should be done by the whole cabinet or a quorum of the cabinet, so that all parts of the country would be protected in the decisions reached by the cabinet. This is not a reflection upon any minister particularly. They are good men and they deserve all the confidence that has been given to any minister at any time. But I wish to consider the question from a broad point of view. Is it physically possible for any minister to decide personally all the questions that may arise regarding matters that are within the sphere of his department? It is a physical impossibility. Then, naturally, the matter will be decided by some minor officials in the name of the minister and the minister will be just a rubber-stamp for decisions made by some major or minor officer in his department. This is the situation as it stands, and as one who is a strong supporter of responsible government I cannot accept that kind of legislation.

Perhaps I shall be called regressive. They will say that I am not a modern, that I am obsolete when I say there are certain ancient things that we should keep in mind, things that are ageless. They do not belong to some other age because they belong to all ages. For example, there are certain fundamentals of law which were promulgated three thousand years ago and which are still accepted by the legal fraternity and by the bench in these modern times, and one of these principles is that of responsible government. The minister is for it, and I would be greatly surprised if the Minister of Trade and Commerce were not for it also. We are all for it. Then let us practise it.

There is a good way of being in order, Mr. Chairman, in discussing any part of this bill; namely, to move that some clause be struck out; the matter will be decided and anyone will have an opportunity to say anything he has to say. I forecast some time ago certain things that would happen, and today they have come to pass. But I was not the only one. There was a member of the press gallery, the president of the press gallery last year, who wrote splendid articles in his paper, and I said what I had to say in the House of Commons. Now it has come true.

In these times of so-called austerity how is it that we can buy chocolates which are imported from Europe and which sell at $2 a pound? How is it that in these times of austerity we are offered certain biscuits at $1 a half-pound? These are times of austerity and there are other commodities that are needed. For instance, if we go to a store to buy a head of lettuce having five or six leaves, we pay thirty or thirty-five cents for it, or about five cents a leaf. They are good to look at but not to buy. Nothing has been said about that.

We cannot take all the individual facts with regard to all possible imports, I know; but I cannot understand how it is that certain imports are so expensive, for one reason or another. For example, a bottle of French brandy bought for $1.50 in France is sold in Canada at $6.50. It is very expensive, because we cannot buy brandy from the United States. And so on.

I am ready to accept any explanation which I can convey to my constituents to satisfy their minds about this legislation, because at present they are angry. I am sure the minister is not responsible for the drafting; but he is responsible for the bill, and I make that necessary distinction. I give him credit for anything for which I can give him credit. I sympathize with him. I regret that he has to sponsor this legislation. I will tell you more than that, Mr. Chairman. I do not consider that I, as a Liberal party man, am bound by this legislation any more than I was bound by the foreign exchange control legislation, because I was never consulted about it. I consider that I am bound by the policies of the party to the extent that I, as a member, am consulted with the other members of the party and the decision is reached according to that of the majority of the party. Unless that is done, I do not consider that I am bound by any policy which comes before this house or which is promulgated or announced over the radio, unless I am a party to it. I shall be ready to stand by the decision of the majority who have made that policy. Inasmuch as I have the privilege of making my point before the majority or before all my party, then, even if the policy is not one with which I am satisfied, I have to stand by the party and accept it. But so long as that is not done, I do not consider that I am bound by the Foreign Exchange

Control Act policy or by this act which is an amendment to it, because I had not been consulted about it when it came out.

Mr. MILLER: I rise just to support the suggestion made by the hon. member for Vancouver South as to an amendment. It seems to me that I might add this further suggestion to the minister. I think the point taken by the hon. member for Vancouver South is well taken, because in the preceding sections the minister has the power to switch goods from schedule I to schedule II and schedule III and so on, but not back the other way.

Mr. ABBOTT: Only by order in council.

Mr. MILLER: Yes, by order in council. Under section 3 the minister can add additional goods to the schedules and so on. It seems to me that if the suggestions made by the hon. member for Vancouver South were followed and the amendment was worded so that you describe the power by schedules, you would be on much safer ground.

Mr. ABBOTT: I do not want to argue the amendment because, without being offensive, may I say that I do not think it really accomplishes a great deal. If the committee feels that it would be clearer to specify for the time being which minister has charge of the particular schedules, I have no objection to that. Under the Transfer of Duties Act, of course, as the committee knows, it could be changed tomorrow morning. With that in mind, this amendment would probably meet the case. I will read it and ask one of my colleagues to move it:

That subsection 2 of section 6 of the bill be deleted and the following substituted therefor: "In this Act 'Minister' with respect to permits for the imports of goods (a) in schedules I and II means the Minister of Finance and (b) in schedule III means the Minister of Trade and Commerce."

Mr. GREEN: That is much better.

Mr. FRASER: It may be better, but it is still "pretty worse".

The ACTING CHAIRMAN (Mr. Golding): The committee has heard the amendment, moved by Mr. Howe. Does the committee agree to this amendment?

Amendment agreed to.

The ACTING CHAIRMAN (Mr. Golding): Shall paragraph (c) carry?

Mr. MILLER: I understood that this section was being held over for paragraph (c). Might I ask one more question of the minister, in spite of the possibility of being considered a nuisance to him tonight. Is it in the mind of the minister that we need to engage many additional employees? If so, will they be customs officials, or will they be under the civil service? Can he give us any indication at all as to what his intentions are in that regard?

Mr. ABBOTT: I am told that there will be a certain number of additional customs employees, or additions to the staff of the customs department at the outports. So far as the administration of the division here is concerned, some of the staff who were formerly with the wartime prices and trade board have been taken over. This is principally clerical staff who will be carrying on this work. Appointments since November 17 to February 9, 1948, are as follows: to the wartime prices and trade board, 86. I should have said that is a transfer from the wartime prices and trade board of 86. To the emergency import control division, 64; or a total of 150. Those are all now under the Department of Finance. The total staff of the emergency import control division today is 149, made up as follows: new appointments, 64; transfers from existing staffs, 85; making a total of 149.

Mr. MILLER: Does that include any additional employees taken on in the other department, the Department of Trade and Commerce?

Mr. ABBOTT: No. I have no figures as to that.

Mr. MILLER: Were there any taken on?

Mr. HOWE: We believe there will be no additional staff necessary for the reason that we have at the moment a parallel organization issuing export permits.

Mr. MILLER: Were all these new appointments under the civil service?

Mr. ABBOTT: They are mostly clerks. We engaged them through the civil service commission.

Mr. MILLER: Would they be temporary at the moment?

Mr. ABBOTT: They are engaged by the board.

Mr. HACKETT: Does the minister's answer imply that there will be no additional staff required along the boundary?

Mr. ABBOTT: No. I answered that I thought there would be some. There were some. There have been additions, I am informed.

The ACTING CHAIRMAN (Mr. Golding): Is the committee now ready to deal with paragraph (c) of subsection 1? Shall this amendment carry?

Mr. HACKETT: No.

Mr. KNOWLES: Even as amended the clause may not be satisfactory to all those on this side, but certainly it is an improvement on the section as it appeared in the printed bill. So far as the amendment is concerned, I would say it is acceptable.

Mr. HAZEN: I do not want this amendment to be carried without going on record and expressing my opposition to it. There is not a great deal that I can say, and I realize that what I say, which will be little, will have practically no effect on this committee or at least on members who sit on the government side. I see little difference between section 6, paragraph (c) of the bill and section 6, paragraph (c) as amended. If you will turn to section 5, Mr. Chairman, you will see that the governor in council may make regulations,

(d) prescribing conditions to the issue of permits, and terms of, and conditions to permits or the permissions granted by permits, and terms of and conditions to the continuation of permits in effect.

Then, when we turn to the proposed amendment to section 6, subsection 1 (c), it reads that the minister, not the governor in council, may:

(c) in particular cases or classes of cases, where it is advisable in order to ensure that
(i) the import of goods by a person pursuant to a permit is carried on equitably in relation to the import of goods by other persons to whom permits have been granted, or
(ii) goods imported pursuant to permits are distributed so as to be available equitably to consumers,
prescribe, from time to time, terms of and conditions to a permit or the permission granted in a permit additional to those prescribed by regulation.

The hon. member for Winnipeg North Centre, I think it was, earlier this evening pointed out the fact that we had been complaining of order by governor in council. Now we have piled on top of order by governor in council, power to give the minister the right to amend the orders in council as he sees fit. It seems to me that this is going too far altogether. As the hon. member for Stanstead said some time ago, the whole procedure is unconstitutional, and it seems to me that it should not be permitted for one instant. It should not be permitted in this or any other act. Under the proposed amendment, the words are, "in particular cases or classes of cases," but there is no definition in the act saying what those words mean. I should like the minister to define those words for us and let us know just what he means by them. Further on, these words are used: "is carried on equitably;" that the import of goods by a person pursuant to a permit is "carried on equitably." What does he mean by those words? There is no definition in the bill, and I think we should have more light thrown on it. This afternoon and this evening I have been glancing through the report of a committee on ministers' powers, I think known as the Sankey report, made in 1932 by a committee of the British House of Commons. In the course of that report, which it quite voluminous and interesting, I find this:

The truth is that if parliament were not willing to delegate lawmaking power, parliament would be unable to pass the kind and quantity of legislation which modern public opinion requires.

But it goes on to point out:

We doubt, however, whether parliament itself has fully realized how extensive the practice of delegation has become, or the extent to which it has surrendered its own functions in the process, or how easily the practice might be abused.

There are contained in the report certain recommendations, of which this is No. 2, at page 65:

The precise limits of the lawmaking power which parliament intends to confer on a minister should always be expressly defined in clear language by the statute which confers it, when discretion is conferred; its limits should be defined with equal clearness.

I submit that the section, with the amendment now proposed, does not define with any clearness the limits of the discretion it is proposed to confer on the minister. The terms could not be broader. There is no limitation whatever. Altogether apart from that, however, I submit that this legislation is vicious and unconstitutional, and I am not prepared to vote for it.

Amendment (Mr. St. Laurent) agreed to on division.

Section as amended agreed to on division.

On section 7—Customs officers' duty to enforce.

Mr. MacNICOL: A moment or two ago, in reply to the hon. member for Portage la Prairie, the minister gave the number of changes in the staff of the department in connection with the administration of this measure.

Mr. ABBOTT: That was in Ottawa only, in the Department of Finance.

Mr. MacNICOL: Later on, I thought I heard the minister say that not many had been added to the staff along the border.

Mr. ABBOTT: I said there were some. I understand that quite a number were added.

Mr. MacNICOL: I was just going to say that I found the border posts cluttered up with officials. Is there any record of the number who have been taken on at the customs posts along the border as a result of this new legislation?

Mr. ABBOTT: I would ask my colleague the Minister of National Revenue to answer that, if he will.

Mr. McCANN: Approximately 250 have been added to the customs officials all across the country, of whom 100 are women.

Mr. MacNICOL: All across Canada?

Mr. McCANN: Yes; all coming under the civil service.

Mr. MacNICOL: I suppose we cannot hope to ascertain what that is going to cost the country. I have been thinking perhaps the cost of the administration of these new regulations along the border will take away a good deal from what the minister hoped might be accomplished in the way of increased revenues.

Mr. ABBOTT: We pay them in Canadian funds, though.

Mr. MacNICOL: I suppose some day we shall be able to get the cost of the increased staff along the border and in Ottawa to administer this bill.

Mr. ABBOTT: I imagine we shall have that when the estimates are brought down.

Section agreed to on division.

On section 8—Permit not transferable.

Mr. CASE: I should like an explanation from the minister. This clause says "A permit is not transferable by the holder thereof to any other person," and so on. Does this mean that a person in business and holding a permit could not dispose of his business and transfer the permit? Are his hands tied so that he has no equity in the permit?

Mr. ABBOTT: He can dispose of his permit and the quota will go with it if the purchaser buys the business as a going concern. The purpose of the section is to prevent trafficking in quotas, as distinct from the business itself.

Mr. JACKMAN: When I learned about this a couple of weeks ago I was informed by a friend that there was a certain amount of trafficking in these permits in the city of Toronto, and he suggested that perhaps something should be done to stop it. Later, I was talking to him on the telephone and said that, on reflection, I did not know whether it would be worthwhile trying to take up the case here in Ottawa to see if I could have the practice stopped because, as far as I could see, it amounts to this, and this is why I mention it to the minister to see whether or not there is any value in retaining this section. A man who has a quota and, therefore, a permit to import a certain amount of textiles, let us say, can import those textiles if he wishes. If he does not want the textiles he may accept a bid, which may be quite substantial in money, for his permit. That would be breaking the law under section 8. On the other hand, if a man wants to profit by reason of the fact that he has a quota and, therefore, a permit, there is nothing in the law, and the minister is taking no steps, to prevent that man from importing the goods and turning them over to the other man who does not have a quota, of course at an advance in price. May I ask the minister if there is any difference between the two things, the man selling his permit and the man importing the goods himself, maintaining his quota and his right to future permits, and then selling the goods to someone who wants to make use of them, at a mark-up which would be exactly the same as the price he would have received had he sold his permit in the first instance? In other words, I should like to know the purpose of this section when it is so easily defeated.

Mr. ABBOTT: I do not know; I have not given that aspect very much thought. Of course, as my hon. friend points out, there is nothing to prevent a man with a quota from bringing in the textiles, say, and if he does not want to merchandise them himself turning them over to somebody else at an appropriate profit, and letting the No. 2 man sell them. I am told by those who are charged with the administration of these quotas that the fact that this can be done does not lead to widespread trafficking in quotas, where a man might just go out and try to sell his quota to the highest bidder, and get out of business. He must stay in the business in order to avail himself of that quota. His quota is based upon his record of performance during the last year; so that I think in the great majority of cases the importer will continue in the business that he has been in, because in nine cases out of ten that is his livelihood.

Mr. JACKMAN: The fact is that there are permits for sale, and I am told that the going rate is about ten per cent of the value of the imported merchandise. If they are going to traffic in these things, why not make it simpler and get the price down?

Section agreed to.

On section 9—Report to parliament.

Mr. FLEMING: Last night I asked the minister if he would give consideration to adding some further requirements to those found in section 9 with reference to the publicizing of grants of permits under the act. Could the minister give an answer tonight?

Mr. ABBOTT: Figures could certainly be made up either monthly or quarterly as to the number of permits issued. I do not know offhand that there would be any objection to that. Certainly, when the house is sitting information could be obtained any day by asking a question in the house. It was not thought, in drawing up this section, that provision needed to be made for the publication of quarterly statements. However, there would be nothing secret about the information. It would be information which could and should be made available at any time it is asked for. Probably I could give an undertaking that monthly statements could be prepared as to the number of permits issued. I do not know that it would be wise to spell out in the bill all the details which should be given in those statements; but certainly any information which could be of use to the general public and would not be damaging to individual traders could be made available.

Mr. FLEMING: Would the minister be prepared to include in that report statements of commodities covered by the permits?

Mr. ABBOTT: Yes.

Mr. FLEMING: Would it not be practicable to issue those statements monthly? The purpose of the publicity would be better served if it were on a monthly basis. Would the minister consider putting it in part II of the *Canada Gazette*, which contains orders in council and orders passed under similar powers?

Mr. ABBOTT: Would my hon. friend leave that with me? I hesitate having to say what one should put in the bill about it. I readily agree that the fullest possible information should be given as to the number of permits issued and the categories they cover. I should hope, however, that the details might be left to be worked out by those who are administering the measure. Then, if my hon. friend is not satisfied with what is done, we shall be here for three or four months yet and I would invite him to get after me in the house about it.

Mr. FLEMING: If I have an opportunity, under the rules of the house. But there might not be adequate opportunity. Before the committee concludes its deliberations on this bill, would the minister be prepared to give some detailed indication to the committee as to what undertaking he might give in this respect?

Mr. ABBOTT: I shall do that. I have already placed on *Hansard* the number of permits issued to date, and I placed on *Hansard* today three tables showing the countries affected, and the commodities. That sort of information could be given at regular intervals. I shall give some consideration to the matter and make a statement, before the bill has passed through all stages, as to what I suggest might be proper information, and at what dates it might be made available.

Section agreed to.

On section 10—Offences and penalties.

Mr. MILLER: I wish to state an objection to section 10 as briefly as I can. It looks to me as if it is another one of those sections under which, in prosecutions, accused persons will not have a very good chance of succeeding. What I object to in respect of these prosecutions—and it is becoming altogether too prevalent not only in connection with federal statutes but also in connection with provincial statutes—is that the old British practice of proving *mens rea*, or guilty mind, or guilty knowledge, is too often being ignored. I maintain that it is being ignored purely and simply because of laziness. I think it is laziness on the part of crown officials or police. Surely to goodness, it is not any more difficult to prove a man guilty of an offence of this type than it is to prove him guilty of any other criminal offence.

For years and centuries it has been the right of every man to be presumed innocent until he is proven guilty. And he can be convicted only if he is proven guilty of an offence with a guilty mind, with the intention of doing wrong. Beyond any question of doubt, cases which have gone to the courts of appeal now hold that a mere innocent infraction of a section such as this makes a man, a citizen of this country, liable to the heavy penalty provided by the section.

So far as I am concerned, I would never vote for a section like this until the minister agreed to put in a safeguard incorporating the old principle of *mens rea,* stating that that principle must be proven; that the burden of proof must be assumed by crown officers, and that a man who innocently disobeys one of these regulations—and there were thousands of them under the wartime prices and trade board—must have *mens rea* proven against him. Under the wartime prices and trade board I believe there were about 35,000 orders in council under which people could be prosecuted. It was absolutely ridiculous to imagine that a private citizen of this country; yes, it was ridiculous to imagine that even lawyers could have any possible conception or knowledge of a half, a third, a tenth, a twentieth or even a hundredth of those regulations. And the poor man could be brought up in court—and I have defended lots of them—and the court might know that man was innocent, and I would know he was innocent, so far as his mind and heart were concerned. But they were convicted, and were virtually made criminals with criminal records, although, in their hearts and minds, they had no intention of wrongdoing against the laws of this country.

I think we must take a stand; and I plead with members of this committee, and especially the legal members, to give some thought to this matter. It is getting too serious. Citizens of this country should not have to run the risk of innocently disobeying laws of which they may have no knowledge whatsoever. The promulgation of them is such that it could not be possible for them to have any such knowledge. Those people, in my humble judgment, should not be convicted of offences against the laws of this country and be tagged virtually with criminal records.

I strongly object to section 10 in this bill unless the burden of proof of guilt is clearly, by the section, placed upon the crown officers.

Mr. ABBOTT: I bow to my hon. friend's superior knowledge of criminal law, with which I cannot claim to be expert. However, I feel it might meet his objection if the word "knowingly" were inserted, so that it would read, "every person who knowingly" does so and so.

Mr. JACKMAN: Consciously.

Mr. ABBOTT: I think the word "knowingly" would be preferable.

Mr. MILLER: That would do it.

Mr. ABBOTT: I anticipated an objection similar to this one. Analogous provisions are found throughout the criminal code in connection with the excise regulations, narcotics, and other matters, and a good many of them are statutes which have been on the statute books for a long time. Broadly speaking, the fundamental rule is that the burden of proof rests upon the person who is asserting guilt in a criminal case. There are two exceptions which are recognized in English criminal law. The first is where it requires a person to prove a negative, which is frequently exceedingly difficult, although proof of positive facts may not be so difficult. The second case is where facts are peculiarly within the knowledge of the other party.

Anyone here would know whether he had a permit or not. In these acts which require a permit, and this applies to a greater number of provisions in the Excise Act, the Narcotic Drugs Act, and in the criminal code, the onus is on the person charged with the offence to show that he does possess a permit. That has been particularly necessary in cases where, as here, permits are issued from one side of the country to the other by customs collectors acting as agents for the foreign exchange control board, or by some other government agency. I am quite willing to add the word "knowingly" to meet my hon. friend's point, so that the onus would be on the crown in the case of an innocent person who inadvertently contravenes the law. I do not think anybody can quarrel very much with that. I think that should go a long way toward overcoming the objection.

Mr. MILLER: Yes, so far as I am concerned.

Mr. ABBOTT: Then I will ask one of my colleagues to move the amendment.

Mr. ST. LAURENT: I move that section 10(1) be amended by adding after the word "who" in the first line the word "knowingly".

Amendment agreed to.

Mr. HACKETT: The enactments which are found in the Customs Act and in the Excise Act and in most of the acts in which the crown is the victim of illegal practices are drawn in such a way that the burden of proof is shifted to the accused. I suggest to the minister that legislation of that type, which is age-old, and with which people have had years to become acquainted, is hardly on a parity with these rules and regulations and orders in council which can come into existence without notice and frequently, as hon. members will recall, without even the knowledge of the minister. I do not wish to be facetious or to trifle with the difficulties of administration which confront the treasury benches at this time; but everybody must

admit that legislation such as is being passed tonight is an invitation to irregularity, an invitation to the smuggler, an invitation to those who will profit improperly by this enactment. We are not seeking to protect a body of malefactors; but there is something that should be protected, and that is the innocence of a person who may be improperly charged with breaking the law.

The law is going to be the regulations, modified as indicated by the minister. It is absolutely impossible for the people at large, and I was going to say for the ministry itself, to keep abreast of all these regulations and their modifications. Modifications will take place in one part of the country which will not be known in the other part for some time. We are exposing the population of Canada to a loss of confidence in the courts and in the judiciary if we place upon any person who is apprehended the burden of showing he is not guilty. It seems to me that, in the Customs and Excise Acts, it would be better for everyone if the rules were abandoned and if we relied upon definite proof of ill-doing before assuming that a crime had been committed.

We have here section 10(1) (a), (b) and (c), which provide that anyone who fails to comply with the act or a regulation under it shall be guilty of an offence. We know how volatile are these regulations, and how heavy are the penalties imposed upon a person who has broken them. We are placing it within the power of an individual to make the law, and to change it without notice of any kind, and then we place upon the individual charged with its infraction the burden of proving his innocence. That is a drastic rule to apply at any time, even when the law is old and the people are well acquainted with it; but to apply that rule to legislation, passed in camera and arising out of an emergency, is so harsh as to imperil all respect for the law and to create ill-will and suspicion in the people as a whole.

I suggest to the minister—and I tell him that I have no confidence in the act itself—that he modify this severe and penalizing aspect of the act and that he treat any infraction of it as an ordinary infraction of the law is treated, and that he place upon him who lays the charge the full burden of proving intent to breach the law.

Section 10 as amended agreed to.

Section 11 agreed to.

[Mr. Hackett.]

On section 12—Burden of proof on person charged.

Mr. HAZEN: I move, Mr. Chairman, that section 12 be deleted.

The CHAIRMAN: That would hardly be in order. It is a negative motion. If the clause does not carry, it is deleted automatically.

Mr. ABBOTT: The remarks I made a few moments ago with respect to the burden of proof apply to section 12. There are similar provisions in the Excise Act and the Narcotic Drugs Act and scattered through the criminal code. The point which the hon. member for Stanstead has made is that these infractions should be treated differently, because a good many of the provisions will be in the form of regulations. I invite the members of the committee to look at section 12. In the first place, there is a burden on the crown. The burden is this. The crown will have to prove, when a person is charged with an offence, that the person did an act for which a permit is required under this act. That is the burden of proof which the crown has to discharge. The crown having done that, then it is within the knowledge of the accused whether he has a permit or not; and I refer to the well recognized principles of British criminal law, that where the facts are peculiarly within the knowledge of the other party, and where the rule, if it were strictly followed, would require a person to prove a negative, which is an exceedingly difficult thing to do, the burden can be shifted.

Under the administration of this particular act, where a man is charged with importing goods without a permit the crown will have to prove that he imported the goods; that they were goods of a category which required a permit, and it would be alleged that he did not have one. The burden would then be shifted to the accused to show that, in fact, he did have a permit and that he did knowingly contravene a provision of the act. I think that is quite in conformity with a long line of statutes where circumstances are similar to this, and I do not think it is breaking new ground at all. I believe it is an entirely appropriate provision for a statute of this kind and I feel confident that it should remain in the statute.

Mr. MILLER: I am inclined to think there is some merit in what the minister has said; I do not know whether that will strengthen his conviction or not. I was won-

dering whether he would not consider striking out of section 12 the following words which appear in line 5:

. . . or had not been exempted from the applicable provisions of this act.

And also the following words in the last line but one:

. . . or had been exempted from the applicable provisions of this act.

I do not see the point in these exemption words. If the minister will consent to an amendment to that extent I think it might be satisfactory to hon. members.

Mr. ABBOTT: I do not think there is any objection to that, because any exemptions would have to be by regulation, and under these circumstances I think these words can be safely taken out. I would be glad to have one of my colleagues so move.

Mr. HOWE: I so move.

The DEPUTY CHAIRMAN: Does the amendment carry?

Amendment agreed to.

The DEPUTY CHAIRMAN: Does the section as amended carry?

Mr. ADAMSON: Surely, if this section carries it gives mandatory authority to all officials, such as customs officials, to prosecute minor infractions without giving the accused an opportunity to testify. A man goes over to the United States and brings back a small quantity of the embargoed goods. He is adjudged guilty without the opportunity of really defending himself, is he not?

Mr. ABBOTT: No; there would be no such provision. A charge would have to be laid in the regular way. The accused would have to be summoned before the court; the charge would have to be read to him. The crown would have to prove that he had imported the goods, and then the burden of proof would be on him to show that he had a permit. He would have to show either that he had a permit or that he had some other legal ground for bringing in the goods; but he could not be condemned unheard. There is no suggestion of that. This section merely relates to the burden of proof; and the crown having established that an act has been done for which a permit is required, the onus is then shifted to the accused to show that he, in fact, has a permit.

Mr. ADAMSON: The crown must establish that the act has been done before the accused can be prosecuted.

Mr. ABBOTT: Yes; the crown must establish affirmatively that something has been imported for which a permit is required, and then the man who has the goods must show that he has a permit.

Section as amended agreed to.

On section 13—Coming into force.

Mr. MILLER: Can the minister not now give us the date?

Mr. ABBOTT: Well, it is a little difficult. We want to have the regulations all completed and drawn so that they can be available concurrently with the coming into force of the act. Perhaps I had better not risk a prediction. I am always very careful about that. I will say as soon as possible, as soon as we can have the regulations drafted the act will be proclaimed and the order in council will lapse.

Mr. CASE: The act is actually in effect now, is it not?

Mr. ABBOTT: No. The import restrictions are now being effected under an order of the foreign exchange control board, passed pursuant to the Foreign Exchange Control Act, and as soon as this special statute comes into force, is proclaimed, then these orders will be revoked.

Section agreed to.

On section 14—Foreign exchange control regulations revoked.

Mr. FLEMING: I think this section requires a little attention. What it says in effect is that P.C. 4678, dated November 12, 1947, is revoked, and then is validated by this proviso:

. . . that any act or thing done or permit granted before the commencement of this act by or on behalf of the Minister of Finance or by and on behalf of the foreign exchange control board pursuant to the provisions of the sections and appendices (of P.C. 4678) aforesaid shall be deemed to have been done or issued by or on behalf of the minister under this act, and all acts, things or matters commenced thereunder (under P.C. 4678) shall be continued under this act and all acts or things done.

It does not say by whom, whether by the minister or by the administrative officials or by the public.

—before the commencement of this act while the sections and appendices aforesaid (that is before P.C. 4678) were in force, which if done pursuant to this act would be valid, are hereby confirmed as if done under this act.

There is a good deal of complexity about the provisions of this section. In the first place, I think they require clarification.

In the next place, it seems to me that in part at least, I do not say altogether, what

the committee is being asked to do here is retroactively to validate P.C. 4678. So far as I am aware, the minister has not given the committee the text of the memorandum which he received from the law officers of the crown purporting to find in the provisions of the Foreign Exchange Control Act authority in favour of the governor in council to establish by order in council the kind of restrictive regulations which are embodied in P.C. 4678. If that opinion is sound, and certainly the government has in the past three months gone a long way in the supposition that it has the power to pass P.C. 4678, then I do not think the government ought to come to parliament at this late day and say, will you please validate, as far as validation is necessary, everything that has been done under the terms of P.C. 4678? If the opinion is sound, and if the government have followed the proper course in putting into effect a restrictive program of this kind, more restrictive than any single program ever put into effect in this country in peacetime before, without the slightest reference of it to parliament, then I think they should be left to support what they have done on the basis on which they have purported to justify it, namely, the opinion of the law officers of the crown that they have this power under the provisions of the Foreign Exchange Control Act.

If there is doubt on the part of the government as to the powers that it purported to exercise—and I can only read this section, in part at least, as proceeding on the basis that the government has doubts as to whether it has acted properly and validly—then certainly, before the measure proceeds further, the government should come forward and tell parliament frankly that it has such doubts and account for the fact that it has proceeded in the past three months in the way it has.

Several days ago, in reply to a question from the hon. member for Calgary East, the minister, as I recall his remarks, and I was in the house at the time, said that an opinion had been sought by himself last August, and that the opinion had been given at least in the first instance orally and had been followed by a memorandum. I understood that the minister was considering making the memorandum available to members of the house.

Mr. ABBOTT: No. I said I would show it to the hon. member for Calgary East and I did.

Mr. FLEMING: I have not seen it.

Mr. ABBOTT: I said, at the time it was asked for, I did not know whether it was proper for legal opinions from law officers of the crown to be produced in parliament. I discovered later that it was not; but my hon. friend said he would like to look at it himself. Knowing what a good lawyer he was, I had no objection to showing it to him, and I did give him a copy of the memorandum the other day.

An hon. MEMBER: Between friends.

Mr. ABBOTT: Perhaps that was improper; I do not know. In any event, I did it.

Mr. FLEMING: I might express the view in passing that I do not see why opinions of the law officers of the crown, which are as important as this one is in purporting to find in favour of the government's power to proceed in this extraordinary way, should not be tabled in the house. It will be recalled that at the last session, when the opinion of the law officers of the crown was sought in connection with the wheat board matter, that opinion was given to the house by the present Minister of Justice, and certainly in a matter as important as this I do not think the house would be encroaching upon the realm of privileged communication between the law officers of the crown and the government in asking that a legal opinion, an opinion on a legal question whether there was power under the Foreign Exchange Control Act for the government to do what it has sought to do under order 4678, should be made available to the house.

However, to come back to this question, that opinion, giving full respect to the source of it —the law officers of the crown—was proceeded upon in breach of a solemn undertaking given to this house by the then minister of finance in the 1946 session when he introduced the Foreign Exchange Control Act in this house. Here was a solemn undertaking given to the house or, if you like, a representation made to the house by the then minister of finance, the present Minister of Justice, as reported at page 2547 of *Hansard* of 1946:

> We have no intention of using this exchange control legislation to restrict anything but certain types of capital movement.

What has been done under P.C. 4678 is to throw that undertaking or representation out of the window completely, to ignore it, a representation that was solemnly given to parliament, a representation that certainly entered into the consideration given that bill by many members. The committee will remember that the house spent some time on the bill when it was up in 1946. In the banking and commerce committee its sections were reviewed with some care, and that undertaking of the then minister of finance was an under-

taking upon which the banking and commerce committee and this house proceeded in their deliberations upon the bill. Had that undertaking not been given, I am sure the bill would have had a different reception both in this house and in the banking and commerce committee. And to my hon. friend the present Minister of Justice may I just say in passing that I find it very difficult to understand how he can submit to continuing to be a member of the present government when the present government has completely ignored and repudiated the solemn undertaking which he gave the house in the session of 1946.

Mr. ABBOTT: My hon. friend should be careful of his language. There was no solemn undertaking given by any minister of the crown. My predecessor as minister of finance said, and I made a somewhat similar statement in the banking committee, that it was not the intention of the government to use the Foreign Exchange Control Act for the purpose of imposing import restrictions on imported goods. I dealt with it at some length in my broadcast address when announcing this policy and have done so subsequently. I may be criticized for it, but I take exception to the statement that the then minister of finance gave a solemn undertaking, because he did no such thing.

Mr. FLEMING: I wish to state quite as positively, if I may do so, that the statement I have quoted, given by the present Minister of Justice and then minister of finance, was a solemn statement given to the house. It was part of a prepared statement.

Mr. ABBOTT: I am saying that it was not a solemn undertaking. That is all.

Mr. FLEMING: It was part of a prepared statement which he submitted to the house when he brought the bill in and asked the house to give it second reading.

Mr. ABBOTT: No one is contradicting that.

Mr. FLEMING: And it was on the strength of that assurance, that the government would not use this legislation, the Foreign Exchange Control Act, to restrict certain types of capital movement, that the house proceeded to deal with the bill as it did. That assurance underlay all the deliberations of the house on that measure. It underlay all the deliberations of the banking and commerce committee on the measure. There can be no gainsaying that fact. It was an undertaking of the highest importance to the house and to the banking and commerce committee, and surely, when important legislation is introduced and well considered statements, prepared statements, are submitted to the house by ministers speaking in the name of the government, statements containing assurances as plain and as solemn as that, this house is entitled to believe that the government will not repudiate such a promise or such an undertaking without first coming to the house. But there was nothing of that sort in this case. The government sent two ministers on the air, two ministers after the Prime Minister, to announce in effect that, regardless of this undertaking, regardless of this solemn assurance, the government, without coming to parliament and saying so much as "by your leave", would blindly go ahead and by order in council, in the face and the teeth of its undertakings, put into effect in peacetime the greatest restrictive program, the greatest measure of strangulation applied to our economy, ever imposed in time of peace.

The measure before us, Bill No. 3, would be bad enough under the best of circumstances. That the government should ask parliament to clothe it with powers so dictatorial, so vast, powers that can be so arbitrarily exercised, as the government in this bill is asking parliament to clothe it with, is bad enough. But when that measure follows by some months the putting into effect by the government of an order in council so drastic in its effect, and so completely in the teeth and in defiance of solemn government undertakings, I say, Mr. Chairman, that not only has a grave wrong been done to parliament, but there has been a complete slap in the face to all fundamental conceptions of democracy.

Mr. HOWE: Question.

Mr. FLEMING: The Minister of Reconstruction and Supply does not like any references to democracy. Perhaps if he listens to a few more he will begin to grasp a few of the rudiments of democracy.

Mr. ABBOTT: What are they?

Mr. FLEMING: One cannot hope in his case to take him beyond the elementary rudiments, but if we could only get him as far as that, what a complete transformation we might hope to see in the right hon. gentleman. If we could only inculcate in him some elementary appreciation of what democracy means, what a change there would be; if we could inculcate in him some elementary appreciation of what the rights and the prerogatives of parliament mean. But of course it is of no use. Any such attempt would be perfectly futile.

Mr. ABBOTT: I am almost as good as you are.

Mr. FLEMING: The right hon. gentleman (Mr. Howe) said yesterday—and this was in connection with a request under schedule III—that a minister's written letter was binding on the government. Here is one representation that appears in *Hansard*, uttered in this house; true, it is not over a minister's signature, but it is certainly out of his mouth and is as solemn an undertaking as could be given by a minister on behalf of the government. Yet they simply tear it up as a scrap of paper.

If anything further could be done by way of showing complete disrespect for parliament it would be for the government, after all this—after treating parliament with disdain, with contempt, through all these months—to come back now to ask parliament to pass a section which among other things—and I do not say this is the only effect of it—purports to give statutory validation retroactively to everything the government have purported to do under P.C. 4678. If they are so confident that they have the powers under the Foreign Exchange Control Act to do what they have done in, through and by virtue of P.C. 4678, why have they not the courage to stand by their convictions and see it through? But apparently, notwithstanding all the talk, all the radio broadcasts, all the speeches in the house, and all that has been said by way of the sufficiency of the opinion of the law officers of the crown, we come back to this situation, that the government, three months after the Minister of Finance made his radio speech—and that was made three months ago tonight—has to come back to parliament now and ask parliament to give retroactive statutory validation to the things they have been doing under P.C. 4678. If you can imagine any more complete farce than that, Mr. Chairman, I should be glad to hear about it.

Having said that, I should like to say just a word about some of the other things in the section. I hope the minister will be prepared to take the committee into his confidence on the point I have just sought to establish. In connection with the concluding provisions of this section, I should like to offer one or two brief observations. In view of the routine that has been established with boards and officials, I can appreciate that it is desirable that, where applications have proceeded up to a point, when this act comes into effect it would be a grave hardship on many of these people if they were compelled to start all over again. To that extent I think there is much to be said in favour of the concluding provisions of this section. Where persons have been compelled, in order to carry on business, to submit to the provisions of P.C. 4678, certainly they should not be compelled now to back up and start all over again. To that extent I think we shall need some such provision as is found in the concluding lines of section 14.

Then, in conclusion—and I think this is my final word on the section, Mr. Chairman—the provisions beginning at line 39 are, I think, ambiguous; they certainly need clarification. The sentence starting at line 39 reads:

. . . and all acts or things done before the commencement of this act while the sections and appendices aforesaid—

That is, of P.C. 4678.

—were in force, which if done pursuant to this act would be valid, are hereby confirmed as if done under this act.

Is that intended to refer simply to the acts or things done by or on behalf of the minister under P.C. 4678, or is it intended to apply generally to things done by the public or by everyone who has had occasion to make application for a permit under any of the provisions of the act? I do not know which of the two meanings the sentence is intended to have; but, whichever it means, I seriously urge on the minister that it requires clarification.

Mr. ABBOTT: To deal with the points raised by my hon. friend, down to line 39 to which he has referred in the section, the provisions are the usual continuation provisions, and I do not think any serious objection could be taken to them on any ground.

His second point was as to the interpretation of the latter part of the section, which reads:

. . . and all acts or things done before the commencement of this act while the sections and appendices aforesaid were in force, which if done pursuant to this act would be valid, are hereby confirmed as if done under this act.

Obviously these could only be acts which parliament could confirm. I would think that would apply to acts done by the minister or by the officials of his department or acts done by the public in accordance with the regulations or with the section of the foreign exchange control order and the appendices referred to. I had not given the interpretation point any consideration before my hon. friend raised it, but the language is certainly comprehensive: "all acts or things done before the commencement of this act." Of course it might have been much shorter, after putting the continuation provisions in it, to have just said that this act shall be deemed to have been in force since such and such a date.

The CHAIRMAN: Shall the section carry?

Some hon. MEMBERS: Carried.

Mr. FLEMING: On division.

Section agreed to on division.

On section 15—Expiration.

Mr. FULTON: It seems to me, Mr. Chairman, that section 15 is the final insult in an unwise and damaging act, to every provision of which strenuous objection has been taken by the official opposition and by nearly all opposition parties. The objection has perhaps been most forcefully expressed by the hon. member for Eglinton in the remarks he has just made; so once again I shall not recapitulate everything that has been said. Particularly as the minister himself has agreed that emergency legislation of this sort putting complete discretion in the hands of the ministers is undesirable and dangerous, I think we are entitled to expect that some definite time limit might have been included in the last section of this act, which is section 15; or, if not a definite time limit, at least that after a certain time, if it were necessary to continue it, the government would come back to parliament and ask by way of motion that the act be continued, as has been done with regard to every other emergency act that I have had experience with since I came here, and as was done with respect to others that I have read. Would the minister consider changing section 15 to that effect?

Mr. ABBOTT: The reason why no time limit is put in this act is that, by its very nature—with prohibitions, quotas and a permit system; particularly schedules I and II relating to prohibitions and the quotas—if a definite time were fixed, or if it were thought that the act might expire at a certain definite time, obviously it would make for speculative opportunity on behalf of some people. It is almost in the nature of a budget change. It seems to me that certain sections of this bill need to be handled almost on the basis on which one makes changes in existing tariffs, and there should not be any possibility of anyone having any real advance notice as to when that is likely to take place. That is why no definite time is fixed in this act as to when it shall expire; and I think there are the most compelling reasons why there should not be any such time fixed.

Mr. FULTON: I would point out that there is a definite time limitation in the Foreign Exchange Control Act, which I believe is March 31, 1949.

Mr. ABBOTT: Yes, I know there is, and I objected quite strongly to that time limit. I think my objections were good. They were not quite as compelling as in this case, because there is not the same opportunity to speculate in goods, but at the time I felt and said both in this house and in the committee that I thought it was a mistake to put a definite time limit in that act.

Mr. FULTON: I do not recall the details of the minister's objection, but obviously it was felt that it was not strong enough to over-ride the greater objection of leaving these powers for an indefinite period in the hands of a board, in that case, and in the hands of one or two ministers in this case.

Mr. ABBOTT: This is by proclamation, not by a minister.

Mr. FULTON: It transforms what is described in the title as emergency legislation into permanent legislation, unless there is some such provision. I should like to see a provision that at the end of a year, say, the government shall come back to parliament for an address to continue the act. Failing that, could we have a provision included providing that by joint resolution of both houses the act could be terminated, or something to that effect to make it quite clear that parliament has the right, when hon. members think the time has come, to terminate the legislation?

Mr. ABBOTT: Well, it seems to me that this is even better than a joint resolution. It could be terminated even between sessions; it would not be necessary to wait until parliament was in session. I feel quite strongly that, because of the nature of the prohibitions imposed here, no term should be fixed for the operation of this act. Of course it is always open to parliament to move a resolution repealing it.

Mr. JACKMAN: One reason the minister has given the committee for not having a definite date of expiration, or an ultimate date, is that speculation might take place under the act. At first blush I am at a loss to understand how you could possibly speculate in articles which are not available, articles which are prohibited. Would the minister explain what he means by speculation?

Mr. ABBOTT: Well, you could buy goods, accumulate them in the United States, ready to bring them in.

Mr. JACKMAN: May I ask how you could buy goods when you cannot get any money?

Mr. ABBOTT: You could probably get them on credit.

Mr. JACKMAN: You cannot incur loans in the United States. Another of the restrictions Canadian businessmen are up against is that they cannot incur loans in the United States where money is much cheaper than it is here. As far as I can see and as far as the minister has explained, there is no possible way in which speculation could take place under this act. That is the only reason he has given for not putting a definite termination period in this

legislation. I therefore move, seconded by the hon. member for Dufferin-Simcoe, that section 15 be amended to read:

This act shall expire upon a date not later than fifteen months after the coming into force, unless renewed for a further period by parliament.

Mr. HACKETT: I shall not detain the committee with many observations. I merely point out that in this act we are taking two additional steps toward the complete annihilation of parliament. We have been under a system of order in council. We have graduated from that to legislation by a minister. That is the first step which should be pointed out as characterizing this legislation. The second is that all emergency legislation enacted up to the present time has been for a short period, to cope with an emergency. Here we are giving to legislation passed to meet an emergency the characteristics of permanency. For the first time we are delegating the powers of parliament for an indeterminate period. We are legislating parliament out of existence for all time so far as the subject matter of this legislation goes.

Mr. ABBOTT: I do not think I can add much to what I have already said.

Mr. FLEMING: The minister has not dealt at all with the question of putting a ceiling limit on the duration of the act. What he has said in effect is that we should retain the power to repeal the act by proclamation. But he has not touched on the point of putting a ceiling limit on the act.

Mr. ABBOTT: I intended to, if I did not. I intended to express the view that I do not think we should indicate in this act how long it is likely to remain in force.

Mr. JACKMAN: Why?

Mr. ABBOTT: I think that would be creating an improper impression. I do not think we should do it; and, as I said before, it would lend itself to unwise speculation.

Mr. JACKMAN: Here we are being treated by a minister of the crown to an expression of opinion which can be nothing more than that, because, if it is not a guess, the minister will elaborate to the committee so that we may understand what he means. How can you speculate under this act?

Mr. ABBOTT: I cannot add anything to what I have already said.

Mr. JACKMAN: But you have not said anything at all, except to guess.

[Mr. Jackman.]

Mr. ABBOTT: I am under no obligation to give my hon. friend lessons in any particular subject. He is entitled to his opinion; I am entitled to mine.

Mr. JACKMAN: Certainly the minister is under an implied obligation, though it may not be found in the textbooks, to give a committee of parliament such information as he has at his disposal for the guidance of parliament in dealing with these measures. The minister has at his beck and call the paid servants of the crown. He has them in front of him now; he has them in his offices. How are members of parliament, members of this committee of the whole, to know whether or not there is any justification for a particular section or for the bill itself unless the minister gives us some information? I made a reasonable request of him, asking why he wants this section. He wants it so that he may have unbounded power without stint as to time. He gives a reason. I challenge that reason, and he says I am not entitled to ask for information, that I can go elsewhere for it.

Mr. ABBOTT: I have given the reason. My hon. friend can accept it or not, as he pleases.

Mr. JACKMAN: You say because of speculation, and I ask you to point out how speculation can take place under this act.

Mr. ABBOTT: My hon. friend would know that better than I.

Mr. JACKMAN: I dare say I should, because I have made a study of the matter. That was why I gave my opinion and asked the minister if I was not right, because he is or should be in a position to know. But as far as one can see, he is merely guessing at these matters and asking the committee to accept his opinion. He has not a scintilla of evidence, not the substance or even the shadow of a fact. All he is asking for is an indefinite time, as he did when the Foreign Exchange Control Act went through, but which the other place had the good sense to change. He has given no reason whatsoever here. Surely there is a reason. We hope to be reasonable people in this committee; yet the minister will tell us nothing whatever on which to base our decision.

Amendment (Mr. Jackman) negatived: yeas, 29; nays, 40.

The CHAIRMAN: I declare the amendment lost. Shall the section carry?

Mr. ADAMSON: I had told the minister that I had intended to move an amendment

similar to that moved by the hon. member for Rosedale. I do say that surely this bill cannot be operated after the lapse of the foreign exchange control measure as there is no need for it then. Would it not be wise to insert in section 15 the provision that this measure will terminate with the expiry of the foreign exchange control measure? Surely they run hand in glove, and one is not enforceable without the other.

Mr. ABBOTT: I had not considered that aspect of the matter. However, I would say it is my view that this measure could stand completely on its own feet, without any assistance from the foreign exchange control measure. I do not think the two are necessarily complementary.

Mr. ADAMSON: If you lift any embargo on exchange, surely you make extremely difficult the enforcement of this act.

Mr. ABBOTT: The administration might be more difficult. People might be able to pay for the goods, but they could not get them into the country. It might not do them much good.

Section agreed to.

On schedule I.

Mr. KNOWLES: I should like to say a few words with respect to schedule I.

Mr. ABBOTT: Before my hon. friend makes his remarks, may I point out that the printed bill has been distributed, with the changes in the schedule to which I have referred. However, that has never been formally moved. The reprint which hon. members have before them contains the revised schedule; but, in order that we might be strictly within the rules. I believe I should ask one of my colleagues to move that schedule I, as it appeared in the original bill which was read a first time, should be deleted, and that the attached schedule be substituted therefor. Hon. members do not need to look at different prints; they have the reprint with the amended schedule in it.

Mr. HOWE: I move:

That schedule I to Bill No. 3 be deleted and the attached schedule substituted:

In this schedule where a tariff item of schedule "A" to the customs tariff is listed without being preceded by the word "ex" all goods included in that tariff item shall be deemed to be included in this schedule and where a tariff item is listed and preceded by the word "ex" only the goods described thereafter are deemed to be included in this schedule, and words and expressions in this schedule have the same meaning as in the schedules to the customs tariff.

7 Meats, fresh, n.o.p.

8 Canned meats, poultry or game.

9 Poultry and game, n.o.p.

9a Quails, partridges, and squabs, dead or alive, n.o.p.

10 Meats, prepared or preserved, other than canned.

16 Eggs in the shell.

18a Peanut butter.

22 Preparations of cocoa or chocolate in powder form.

27 Coffee, roasted or ground, when not imported direct from the country of growth and production.

29a Tea, n.o.p. (not imported direct from the country of growth and production.)

31 Ginger and spices, ground, n.o.p.

33 Nutmegs and mace, ground.

36, 37 Compressed yeast.

38 Yeast cakes.

42a Table salt.

43 Condensed milk.

ex 45, 46 Prepared cereals foods.

ex 47 Beans, n.o.p. (except soya beans.)

48 Peas, n.o.p.

63, 63a Rice, cleaned.

65 Biscuits, not sweetened.

66 Biscuits, sweetened.

67 Marcaroni and vermicelli.

79b Flowers and foliage, natural, cut, whether in designs or bouquets or not, n.o.p.

87 Vegetables, fresh, in their natural state: asparagus, green beans, Brussels sprouts, cabbage, carrots, beets, n.o.p., cauliflower, eggplant, celery, cucumbers, lettuce, parsley, green peas, rhubarb, spinach, tomatoes, watercress, whitloof, endive, and fresh vegetables, n.o.p.

89 Vegetables, prepared, in air-tight cans or other air-tight containers.

90e Vegetables, frozen.

91 Soups, soup rolls, tablets, cubes, or other soup preparations, n.o.p.

92 Fruits, fresh, in their natural state: apricots, cherries, cranberries, peaches, pears, plums or prunes, strawberries, raspberries, loganberries, berries, edible, n.o.p., quinces, nectarines.

94 Grapes, fresh, in their natural state.

95 Cantaloupes and muskmelons.

95a Melons, n.o.p.

96 Fruits, fresh, in their natural state, n.o.p.

96a Kumquats, fresh.

97 Plantains, pineapples, pomegranates, guavas and mangoes.

99b Fruits, dried, desiccated, evaporated or dehydrated, n.o.p.

99d, ex 99e Dates, dried, unpitted.

99g Apricots, nectarines, pears and peaches, dried, desiccated, evaporated or dehydrated.

ex 104a, ex 105 Fruit pulp, other than passion fruit pulp, with sugar or not, and fruits, crushed or frozen.

108 Honey in the comb or otherwise, and imitations thereof.

ex 109 Nuts of all kinds, in the shell, n.o.p.

110 Cocoanuts, n.o.p.

123a Crabs, clams or shrimps in sealed containers.

124, 125, 126, 127, 128, ex 123, ex 133 Oysters.

130 Turtles.

138 Maple sugar and maple syrup.

139 Glucose or grape sugar, glucose syrup and corn syrup, or any syrups containing an admixture thereof, n.o.p.

143 Cigars.

143a Cigarettes.

152c Grape juice in containers of more than one gallon capacity each.

ex 179 Labels for cigar boxes, fruits, vegetables, meats, fish, confectionery or other goods or wares.

ex 180, 181a Pictorial postcards, greeting cards and similar artistic cards or folders, finished or unfinished.

ex 184d, ex 169, ex 170, ex 171, ex 184a. Periodical publications, unbound or paper bound, consisting largely of fiction or printed matter of a similar character, including detective, sex, western, and alleged true or confession stories, and publications, unbound or paper bound, commonly known as comics, but not including bona fide supplements used with newspapers.

Provided, that the decision of the Minister of National Revenue as to whether or not any publication is included in the foregoing description shall be final and conclusive.

ex 192, ex 198, ex 199 Tarred paper and prepared roofings (including shingles), sheathing, insulation (not including fibreglass) building board, chipboard, newsboard, strawboard, testboard, corrugated board, and all other similar boards manfactured wholly or in part of vegetable fibres (not including electric insulation board, shoe board, automobile board, book binders' board and pressboard) bristol board, artists' board, photograph mounting board, picture matting board and showcard board; flock coated board or paper; wax coated paper; blotting paper not printed.

192b Sandpaper, glass or flint paper, and emery paper or emery cloth.

192c Roofing and shingles of saturated felt.

ex 193 Paper sacks or bags of all kinds, printed or not (but not including those made from twisted paper).

194 Playing cards, in packs or in sheet form, n.o.p.; cards and sheets partly lithographed or printed, for use in the manufacture of such playing cards.

195 Paper hanging or wall papers, including borders or bordering.

ex 197, ex 197b, ex 198, ex 199, ex 181, ex 509 Towels, napkins, table covers, tray covers and doilies, of paper; fancy shelf and lace papers; paper handkerchiefs; facial tissues and toilet paper, including such materials in jumbo rolls; cups, dishes or plates, forks, spoons, and drinking straws, made of paper, cardboard, or of vegetable fibres; paper envelopes; correspondence and printed letterhead papers, not including plain unprinted typewriter or copying papers; creped tissue paper and manufactures thereof; wrapping paper (including box covering paper and wrappers) printed, embossed or otherwise decorated; Christmas seals, stickers, tags and enclosure cards, printed, embossed or otherwise decorated; card and other games, score reckoners, score pads, tallies and place cards, of paper or cardboard; festivity, carnival and celebration supplies and decorations of paper or cardboard, including costumes, hats, caps, headbands, masks, horns, serpentines and confetti; gummed paper; blank books; photograph mounts manufactured from paper or paper board.

197b Wrapping paper of all kinds, not pasted, coated or embossed.

ex 192, ex 197, ex 198, ex 199 Papers and paperboards or fibreboards the surface of which is in two or more colours or is embossed or otherwise decorated.

ex 199b Empty containers wholly or partially manufactured from paperboard or fibreboard having affixed thereto paper the surface of which is in two or more colours, or is embossed or otherwise decorated.

226 Candles.

234 Perfumery, including toilet preparations, non-alcoholic, viz., hair oils, tooth and other powders and washes, pomatums, pastes and all other perfumed preparations, n.o.p., used for the hair, mouth or skin.

235b Liquorice in rolls or sticks, not sweetened.

247 Liquid fillers, anti-corrosive and anti-fouling paints, and ground and liquid paints, n.o.p.

248 Paints and colours, ground in spirits, and all spirit varnishes and lacquers.

249 Varnishes, lacquers, japans, japan driers, liquid driers, and oil finish, n.o.p.

251 Gold liquid paint.

ex 257 Writing ink, but not including drafting, artists' or instrument ink.

ex 271 Lubricating oils composed wholly or in part of petroleum, in containers of less than 25 Imperial gallons each.

ex 272 Refined petroleum jellies and oils, for toilet, medicinal, edible, or similar purposes, in containers of less than 25 Imperial gallons each or of less than 250 pounds each in weight, including the weight of the container.

ex 272a Petroleum greases and lubricating greases, n.o.p., in containers of less than 25 Imperial gallons each or of less than 250 pounds each in weight, including the weight of the container.

323 Silvered glass, bevelled or not and framed or not, n.o.p.

ex 326(i) Decanters and machine-made tumblers of glass, not cut nor decorated, n.o.p.

ex 326g High thermal shock resisting glassware, but not including industrial or laboratory glassware, or glassware parts imported by manufacturers for production use in their own factories.

354a Kitchen or household hollow-ware of aluminum, n.o.p.

354b Kitchen or household hollow-ware of nickel, n.o.p.

ex 362c Nickel-plated or electro-plated cutlery and table flatware.

ex 414 Typewriters.

ex 414a Dictating machines, transcribing machines and cylinder shaving machines.

ex 414c Adding machines.

415a Refrigerators, domestic or store, completely equipped or not.

ex 415b Washing machines, domestic, with or without motive power incorporated therein.

ex 415c Clothes wringers, domestic.

ex 415d Sewing machines, domestic, with or without motive power incorporated therein.

ex 427 Outboard motors.

ex 427h Motion picture projectors for use with films less than one and one-eighth of an inch in width, with or without sound equipment, and motion picture screens adapted for use therewith.

432b Hollow-ware, of iron or steel, coated with vitreous enamel.

433 Baths, bathtubs, basins, closets, lavatories, urinals, sinks and laundry tubs of iron or steel, coated or not.

ex 440a Pleasure boats of all kinds.

ex 443 Apparatus designed for cooking or for heating buildings (not including parts).

444b Lamp shades, n.o.p., and shade holders.

ex 445 Electric light fixtures and appliances n.o.p. (not including industrial electric light fixtures, or parts).

ex 445a Electric flashlights.

ex 445b Incandescent electric light lamps.

ex 445d Radio receiving sets and cabinets and chassis therefor.

ex 445e Electric and galvanic batteries, n.o.p. (not including parts or separators).

ex 445i Electric sad irons.

ex 445j Electric dry shaving machines.

449 Steel wool, including steel wool impregnated with soap or in retail packages containing a cake of soap.

451e *et al* Slide, hookless or zipper fasteners and parts thereof.

ex 462 Cameras, not including those for professional use.

465 Signs of any material other than paper, framed or not; letters and numerals of any material other than paper.

468 Bird, squirrel and rat cages, of wire, and metal parts thereof.

503 Planks, boards, clapboards, laths, plain pickets and other timber or lumber of wood, not further manufactured than sawn or split, whether creosoted, vulcanized, or treated by any other preserving process, or not.

504 Planks, boards and other lumber of wood, sawn, split or cut, and dressed on one side only, but not further manufactured.

504a Ponderosa pine lumber (pinus ponderosa) and California sugar pine lumber (pinus Lambertiana), not further manufactured than planed, dressed, or jointed, for use in Canadian manufactures.

505 Planks, boards, deals and other lumber of wood, not further manufactured than planed, dressed, jointed, tongued or grooved, n.o.p.

505a Hardwood flooring, tongued and/or grooved, or jointed, viz: beech, birch, maple and oak.

ex 506 Door and window frames sash.

506a Clothespins and parts thereof.

506b Wooden doors of a height and width not less than 6 feet and 2 feet, respectively.

507 Single-ply, sliced or rotary-cut veneers of rosewood, mahogany or Spanish cedar, not over five-sixteenths of an inch in thickness, not taped nor jointed.

ex 507a Single-ply, sliced or rotary-cut veneers of oak or walnut, n.o.p., not over five-sixteenths of an inch in thickness, not taped nor jointed.

507b Veneers of wood of any kind, not over five-sixteenths of an inch in thickness, taped or jointed.

507c Plywood made of two or more layers of veneer or lumber of wood, glued or cemented together, but not further manufactured.

507e Plywood made of two or more layers of wood glued or cemented together and faced with metal on one or both sides.

508 Mouldings of wood.

512, ex 506 *et al* Picture frames, photograph frames and mirror frames, of any material.

ex 514 Coffins and caskets.

ex 515 Show-cases of all kinds.

519 House, office, cabinet or store furniture of wood, iron or other material, and parts thereof, not to include forgings, castings, and stampings of metal, in the rough.

519a Wire screens, wire doors and wire windows; cash registers; window cornices and cornice poles of all kinds; hair, spring and other mattresses; curtain stretchers, furniture springs and carpet sweepers.

597 Pianofortes and organs.

ex 597a Phonographs, graphophones and gramophones.

602, 603 Fur skins, wholly or partially dressed.

ex 618b Passenger automobile tires.

624 et al Bead ornaments, and ornaments of alabaster, spar, amber, terra cotta, composition, or other material except china or porcelain; fans of all kinds; statues and statuettes of any material other than porcelain or earthenware.

625 Caps, hats, muffs, tippets, capes, coats and cloaks of fur, and other manufactures of fur, n.o.p.

629 Umbrellas, parasols and sunshades of all kinds and materials.

647 Jewelry of any material, for the adornment of the person, n.o.p.

ex 648 Precious and semi-precious stones (other than diamonds) whether genuine or synthetic; pearls, whether genuine or cultured, and imitations and simulations thereof.

ex 651 Buttons of all kinds, n.o.p. (except recognition buttons).

ex 655 Fountain and ball point pens.

ex 655a Propelling pencils.

ex 689a Mineral wool, but not including fibre glass.

ex 711 Synthetic casings for meat.

ex 711, ex 362c, ex 427, ex 446a *et al* Goods enumerated hereunder, but not including goods entitled to entry under tariff items enumerated in Schedule II:

Domestic water heaters; public address and communication systems; humidifiers (but not including industrial humidifiers); chemical permanent waving preparations;

Soda fountains, bars; ice-cream cabinets and beverage cabinets; beverage dispensing and mixing equipment; gasoline pumps;

Punch boards and pin-ball games; vending machines, games, amusement devices, phonographs, radios, musical instruments, scales, parking meters, locks and lockers, coin-, disc-, or token-operated;

Cigarette or cigar lighters (but not to include lighters provided for in Tariff Item 438(c));

Air-conditioning units and apparatus designed for household or office use;

Electric mixers, ironers and dish-washers, designed for household use;

Cases, boxes, bowls, baskets, bottles, dishes and trays adapted for personal, household or office use, or for the packaging of goods for retail sale, of which the component of chief value is copper, brass, bronze or electro-plated metal, not including industrial containers unsuitable for retail sale;

Ash trays and receivers; desk sets and bases or holders for blotters, pens or pencils; book-ends; paper weights and paper knives; andirons, screens, tongs and other furnishings for fireplaces; door knockers;

Christmas tree decorations of all kinds, including lights and fittings therefor; vases and jardinieres;

Electric heating pads and blankets, juice extractors; amusement rides and devices; hair waving and drying machines; display decorations; lipstick holders; electric fans; floor polishers; atomizers; pencil sharpeners; radio cabinets, finished or unfinished; door chimes; binoculars and opera glasses; domestic garbage disposal units; ski racks; watch straps and bracelets; bowls, trays and dishes of wood.

ex 703 (b) Goods enumerated elsewhere in schedules I and II, except goods to which paragraph (c) of subsection two of section three of this act applies.

The CHAIRMAN: Is the motion carried?

Mr. KNOWLES: No.

Mr. FLEMING: May I ask that you call the schedules at least page by page, if not item by item, because there will be individual items hon. members will wish to discuss.

The CHAIRMAN: The hon. member for Eglinton suggests that the schedules be called page by page. Does that meet with the approval of the committee?

Mr. GREEN: I think that would only lead to confusion; they should be called item by item.

Mr. FLEMING: Better still.

Mr. ABBOTT: All right, but it would be a long procedure.

The CHAIRMAN: Has the committee decided upon what procedure it will follow? I shall carry out its wishes. We are dealing with schedule I.

Mr. KNOWLES: Perhaps I should explain that my purpose in rising was to move an amendment to schedule I to delete three items, namely items 87, 92 and 96, which are the main items covering fresh fruits and vegetables.

[Mr. Howe.]

If the committee prefers to follow the suggestion made by the hon. member for Vancouver South, namely to call the items one by one, then it would simply mean that we would call a vote when we reached those three items. May we have a decision as to what procedure we shall follow?

Mr. ABBOTT: The total imports of those three items were valued at $17,000,000. When you come to vote on it, bear that in mind.

The CHAIRMAN: I would suggest that we should call the schedules page by page, and see how we get along by that method. If it does not work satisfactorily we can try some other method.

Mr. GREEN: I would point out that when tariff items are being passed it is done item by item. These schedules are based on tariff items, and I submit that there is no precedent or rule providing for dealing with items page by page. The procedure ever since I have been here has been to take them individually. Not only is that the proper procedure, but also from the common-sense standpoint it is the most orderly way to proceed and will prove to be the most expeditious.

The CHAIRMAN: The hon. member for Eglinton suggested the other way.

Mr. FLEMING: I said page by page, if not item by item. I would prefer to have it item by item.

The CHAIRMAN: Then, I shall call the schedules item by item. Schedule I, tariff item No. 7.

Customs tariff—7. Meats, fresh, n.o.p.

Mr. GREEN: In respect of these items would the minister give us the figures? I believe the hon. member for Muskoka-Ontario asked the other day that that information be prepared.

Mr. ABBOTT: We have the information on any individual item. We could probably give it.

Mr. GREEN: Would the minister give it on each item as it is called?

Mr. ABBOTT: I shall do my best.

Mr. ADAMSON: And would the minister give the period for which the figures are given?

Mr. ABBOTT: The information I shall now give will be an example of what is available. From scheduled countries we imported $2,000 worth of fresh beef and veal, and $1,000 worth from non-scheduled countries, making a total of $3,000. Of fresh pork we imported $767,000

worth from scheduled countries; that is, dollar countries. Then, of fresh meats, not otherwise provided for, we imported $2,000 worth from scheduled countries. And of edible offals, fresh, which come under this tariff item, we imported $170,000 worth from scheduled countries.

Mr. ADAMSON: What is the base period?

Mr. ABBOTT: The twelve months ended June 30, 1947.

Item agreed to.

Customs tariff—8. Canned meats, poultry or game.

Mr. GREEN: Would the minister give us the figures for each item?

Mr. ABBOTT: I can give them, but it would take considerable time. Could we not have the information printed in *Votes and Proceedings*?

Mr. MacNICOL: Put it on file, so that we shall not have to take up the time of the committee in listening to figures.

Mr. ABBOTT: All this data is a matter of public record. It is to be found in information supplied by the bureau of statistics in trade reports. Mind you, that covers another period, and the information would have to be extracted. It might be more convenient for hon. members if I were to place it on record. It would be necessary to take the last six months of 1946 and the first six months of 1947 from the figures supplied by the bureau of statistics. Those are, of course, available.

Mr. JACKMAN: Put them on *Hansard*.

Mr. ABBOTT: I could do that, but they are very lengthy. However, if the committee feels it is necessary we could put them on *Hansard*. What I now hold in my hand is on the prohibited list, and is an extract from published figures.

As we go through this list, if there are any particularly significant ones hon. members could ask for the information, if they are especially interested.

Mr. GREEN: Perhaps the minister could put the figures on *Hansard* and then, as he suggests, if any member is interested in a particular item he could get the figures.

Mr. FRASER: Has the minister the figures for the months preceding November 18?

Mr. ABBOTT: We have not extracted those, but they are, of course, available. The dominion bureau of statistics publishes all these figures, which are made up from the import returns, and anyone experienced in using these figures could take this bluebook and get the figures for any given period. This is a long and complicated table, but perhaps it had better be printed somewhere, although I had thought it might not be needed. It contains the imports from scheduled and non-scheduled countries for the year ending June 30, 1947—

Mr. FRASER: What I was trying to get at was what was brought in before November 18 and what came in after that date. Some came in after that date because the goods were in uninterrupted transit before that date.

Mr. ABBOTT: Someone asked what our latest figures were. The figures for December will, I understand, be available next week. If the committee wishes, this table might be printed as an appendix to today's *Hansard*. [*See page 1339.*]

Some hon. MEMBERS: Agreed.

Item agreed to.

Items 8, 9, 9a and 10 agreed to.

Customs tariff—16. Eggs in the shell.

Mr. GREEN: Could the minister give us the figures on that?

Mr. ABBOTT: There were $245,000 of imports from scheduled, that is dollar countries, in the base period.

Item agreed to.

Items 18a and 22 agreed to.

Customs tariff—27. Coffee, roasted or ground, when not imported direct from the country of growth and production.

Mr. ADAMSON: I understand that coffee in the bean or ground can be imported direct from the growing country, but that this schedule does not permit such coffee from any other countries. Roasted coffee or prepared coffee must be imported direct from the country of origin. This item does not include raw coffee. The coffee exchanges are still functioning, and raw coffee and coffee in the bean come in through the New York exchange.

Mr. ABBOTT: That is correct.

Mr. ADAMSON: But roasted coffee or prepared coffee must be imported direct from the country of origin. Are the countries of origin, which are nearly all South American republics, not still in the scheduled dollar area? I know that all the Central American countries are.

Mr. ABBOTT: This schedule prohibits the importation of roasted and packaged coffee.

Mr. GREEN: The minister did not answer the hon. member's question with regard to South American countries. Are they being classed as scheduled or non-scheduled countries?

Mr. ABBOTT: Most of them are non-scheduled countries. There is no restriction here on the importation of coffee beans or raw coffee. It applies only to packaged or roasted coffee, which, as a rule, I do not think is brought in from the country of origin.

Mr. ADAMSON: No; but if it was brought in from the countries of South America where it was grown and if it was packaged there, it would be allowed in under this schedule, despite the fact that that country might be a schedule country.

Mr. ABBOTT: Under tariff item 28 we import coffee beans which are processed or roasted, and that tariff item is not on the prohibited list.

Item agreed to.

Items 29a, 31, 33, 36-37, 38, 42a, 43, 45-46, 47, 48, agreed to.

Customs tariff—63, 63a. Rice, cleaned.

Mr. FRASER: Why does the minister find it necessary to prohibit rice from coming into Canada?

Mr. ABBOTT: Only cleaned rice is prohibited.

Mr. FRASER: Practically all our rice comes from the United States.

Mr. ABBOTT: The total imports were $204,000 in the base period, all from the United States.

Mr. FRASER: Was that cleaned or uncleaned?

Mr. ABBOTT: Cleaned rice only.

Mr. FRASER: How much uncleaned came in?

Mr. ABBOTT: I have not the figures here, but uncleaned rice is not prohibited.

Mr. FRASER: I know, but have you the figures on that?

Mr. ABBOTT: We can get that information.

Mr. GREEN: Why this different treatment between cleaned and unmilled rice?

Mr. ABBOTT: I am advised that the greater part of our uncleaned rice comes or did come directly from the country of origin, Burma, in former days. Now it sometimes comes from the United States. It is a cheaper way of getting it. It saves United States dollars to bring it in uncleaned and process it here.

Mr. FRASER: We get little uncleaned rice from Burma now. Does not most of it come from the United States?

Mr. ABBOTT: It does at the moment, but uncleaned is a cheaper way of bringing it in and have it processed here.

Mr. FRASER: For some years we have been getting it from the United States.

Mr. ABBOTT: Since the beginning of the war.

Mr. FRASER: And even before that.

Mr. GREEN: Is there still a control on rice? I understand that there was some sort of international control. Is there a control now?

Mr. ABBOTT: I do not think rice is on international allocation now.

Mr. GREEN: Is that control still in effect? Just what is the situation?

Mr. ABBOTT: I am informed that there is no such control. As the committee probably knows, about the only things that now remain under international allocation are oils and fats.

Mr. FRASER: The reason I brought this matter up is that rice has been fairly hard to get. Even if you have to pay the present prices, rice is a cheap food and is easy to prepare. Therefore I do not think it should be on this list.

Mr. ABBOTT: Rice is not on this list. We can bring in all the uncleaned rice that can be obtained, and process it here. This relates only to a comparatively small quantity of cleaned rice.

Mr. GREEN: I would suggest that the minister look into the whole rice situation. The effect of the present provisions is that only two or three mills in Canada can handle rice. They get all the rice business. For some time, cleaned rice has been prohibited. I suggest that the minister look into the whole situation with regard to rice.

Mr. ABBOTT: If the committee is interested in rice I have some figures here. In eleven months of 1947 uncleaned, unhulled rice was imported to the extent of $2,217,302.

Mr. GREEN: What year is that?

Mr. ABBOTT: The year 1947, eleven months to the end of November. That is the

latest figure we have. In the base period cleaned rice imported from the United States amounted to only $204,000; therefore one can see that the great proportion of the rice which is used in this country entered in an uncleaned or unhulled form.

Mr. GREEN: I think that is because of the continuation of the wartime controls. Can the minister give us figures for the years before the war and some idea of the comparative amounts of cleaned and uncleaned rice?

Mr. ABBOTT: I have figures for three typical years before the war. Rice cleaned amounted to $194,000 for the first year and $211,000 in the second year, or a total of $405,000 in these two years. I beg your pardon. The three-year average before the war from both scheduled and non-scheduled countries was $405,000.

Mr. GREEN: Of the cleaned rice?

Mr. ABBOTT: Of cleaned rice, yes. I have no figures for the other.

Mr. PEARKES: Rice forms a staple food of many of the oriental Canadian citizens on the Pacific coast. Can the minister assure us that there are adequate quantities of rice coming in to look after the British East Indians and the Chinese in British Columbia?

Mr. ABBOTT: I am sure that adequate quantities of rice are coming in. There is no restriction on what has always been the major type of rice imported into the country, namely, the uncleaned or unhulled rice, which is processed here, and no restriction is put on it. The only class we are restricting here is the comparatively small quantity of cleaned rice which was imported from the United States.

Mr. PEARKES: It is the uncleaned rice which is used by the oriental.

Mr. ABBOTT: That is right; it is cleaned and processed here in Canada.

Item agreed to.

Items 65, 66 and 67 agreed to.

Customs tariff—79b. Flowers and foliage, natural, cut, whether in designs or bouquets or not, n.o.p.

Mr. GREEN: Can the minister give us the figures for this item?

Mr. ABBOTT: Yes. There were $364,000 worth under that item in the base period and $2,000 from non-scheduled countries.

Item agreed to.

Customs tariff—87. Vegetables, fresh, in their natural state: asparagus, green beans, brussels sprouts, cabbage, carrots, beets, n.o.p., cauliflower, eggplant, celery, cucumbers, lettuce, parsley, green peas, rhubarb, spinach, tomatoes, watercress, whitloof, endive, and fresh vegetables, n.o.p.

Mr. KNOWLES: Mr. Chairman, as I indicated earlier, had we taken schedule I all at once, I would have moved an amendment asking that this item be deleted. Since we are now taking the schedule item by item, all I can do is to ask the committee to vote down item 87, which has to do with fresh vegetables. I remind the committee that when we were on second reading of this bill we from this corner of the house indicated the precise reasons for our objections to the bill. One of the reasons which we indicated at that time was the government's unwillingness to reconsider its ban on fresh fruits and vegetables. The reply of the minister to that point when he concluded the debate on second reading was that it did not invalidate the principle; that it was only a detail which we could deal with when we got to committee.

Now that we have come to this detail in the committee, I hope that we shall deal with it fairly and objectively and not just have it pushed through. In fact, it seems to me that this item and also item No. 92 are items on which the government ought to permit a free vote of the committee. I point out, Mr. Chairman, that there are many items in the schedule which we in this group and other members of the committee might have sought to make an issue out of, but we accept the general principle that the government has to do something along the line of restricting imports to overcome our shortage of United States dollars. In other words, we are not going through the schedule and picking out item after item so as to upset the whole program; but we are picking out these two items, fresh fruits and fresh vegetables, because we believe they are important to the health of our people.

The minister has already today made remarks to the effect that we did not have these things in the wintertime in Canada twenty-five or fifty years ago. I submit that that answer is not good enough. The fact is that during the past quarter of a century, and especially during the last century, the age to which Canadians live has been extended, and it just may be that, in part, that is due to what we have learned about nutrition. No one will deny that from a nutritional point of view it is exceedingly important that we have fresh fruits and vegetables in this country, particularly so in view of the wintry climate that we have in Canada. I would suggest that we

have no way of telling what injury we may do to the health of the Canadian people in years far distant by the action of this committee if the majority supports these two items and cuts down on the quantities of fresh fruits and vegetables that are available to our people. When I indicated a moment ago that we were prepared to make an issue out of these items, 87, 92 and 96, the minister gave me a figure as to what the total amount of these three items came to last year. I think he said $17,000,000.

Mr. ABBOTT: Approximately $17,000,000 for out-of-season vegetables, not fruit.

Mr. KNOWLES: I believe that the figures which the minister has given with regard to this whole program of import restrictions is something of the order of $300 million. I agree that if we were to go through the list and pick out item after item it would total $50 million, $100 million or $200 million, and we would then certainly be defeating the whole program of the government; but $17,000,000 does not upset the program that the government is trying to put through; and I submit it is more important that this committee concern itself with the health of our Canadian people. I know that I am speaking for hon. members in all parties, for all of us have received strong representations from individuals and from organizations back home. This is another of those occasions where I feel the government should permit a free vote of the committee. I am sure that if a free vote were permitted and hon. members voted the way they know the people back home wanted them to we would delete item 87. We would do the same thing with items 92 and 96 when we get to them. Mr. Chairman, I call upon the committee to vote down item 87.

Mr. LOW: May I ask the minister a question? Could not substantial quantities of the products mentioned in item 87 be brought in from the British West Indies and other countries?

Mr. ABBOTT: I am told not. We can get from the British West Indies and other countries fruits which are under schedule II, under the quota. There is no effective limitation at all. Onions come from Bermuda. These are quotas, and there is no effective limitation on the import of onions from Bermuda.

Mr. LOW: Tomatoes?

Mr. ABBOTT: Tomatoes we have allowed in from the Bahamas under the special hardship clause. There are none available from the Bahamas because we have taken the crop.

[Mr. Knowles.]

What the situation may be next year it is hard to say. That is true of Montserrat and Jamaica.

Mr. MITCHELL: I have listened to the hon. member for Winnipeg North Centre. Like myself, he has been to Great Britain, and I understand that he is greatly in favour of the planned economy they have in that country. The last time I was there I never saw an orange; I never saw imported vegetables; I never saw the things one sees in vast quantities in Canada. And I speak not as an authority; I am repeating statements made by the Ministry of Food in Great Britain, when I say that the British people have never been healthier. I think that in a comparative sense it can be said that we are well off in Canada, and I do not think it is a great hardship, for a few weeks in the year, in order to protect our economy, for us to deny ourselves these things that we got along without, at any rate when I first came to this country, which is not very long ago. I think that is a fair statement to make. Comparatively speaking, the British people are in the same position as ourselves, for they are trying to protect their currency and they have found it necessary to deny themselves in this way for years, ever since the outbreak of the war; nevertheless the British people, it is said, are healthier today than they have ever been.

Mr. CLEAVER: I come from the centre of one of the most important sections in Canada growing fruits and vegetables, and I want to suggest to my hon. friend who objects to this item that the amount involved in out-of-season fruits and vegetables—he is only giving half the picture—is closer to $40,000,000. I admit at once that, on account of the suddenness with which the emergency came upon us, our growers have been caught out of their stride, but I want to assure him that the Ontario and British Columbia fruit and vegetable growers will supply him and his family with all the fresh fruits and vegetables they can eat. It is true we are short of cabbages and celery and all these things now, but that is only because the emergency came upon the country in an out-of-crop season and there was no opportunity for the growers to prepare for it. You will have all the cabbages, carrots, beets, celery, spinach and all these other vegetables next winter, grown in Canada. I do not think anyone's health will suffer because we are denied strawberries three or four weeks ahead of time or denied asparagus three or four weeks ahead of time. Our asparagus is better than the United States asparagus, if you wait for it.

Mr. CRUICKSHANK: British Columbia has been mentioned. I do not think the Fraser valley can supply any whitloof—I do not know what that is—and Saskatchewan may have to be denied watercress for a few weeks in the year.

Mr. FRASER: The minister said the other day that carrots would be allowed in. I understand that in Ottawa they are in short supply and the minister's home town will be out of carrots this week. I agree in part with what the hon. member for Halton has said. This emergency was thrust upon the people of Canada, and if the farmer had known three or four months before, he would have been able to supply the market. He should have been told. Even at the present time, the truck farmers do not know what the program is for next year, and they will not be able to supply the market unless they are informed at once so that they can buy the seed to plant this year; because, as the Minister of Agriculture will tell you, the seed is generally bought either in December or January, and it is getting late now to buy seed to supply the people of Canada with the fresh vegetables they need. Fifteen years ago the farmers of Canada supplied enough vegetables to the people of Canada right until April. They were stored in their basements. We have rhubarb which is now imported, or was imported from the United States.

An hon. MEMBER: Nonsense.

Mr. FRASER: Pardon me, it was, in the winter. But rhubarb for winter consumption was first grown in Canada, and first grown by the uncle of the hon. member for York East in Hamilton, Ontario, in his basement and shipped from Canada to New York. On the menus there it appeared as fresh rhubarb imported from Canada. I do not agree that this whole list of things should be cut off in item 87. There are some of these things we can do without; but what I am afraid of is that if this is wiped out, when our own farmers are bringing in their crops next summer, or when they are about ripe, the government will allow an influx, a flood of things from the United States, as they have done in the last few years.

An hon. MEMBER: Shame.

Mr. FRASER: Yes. Strawberries have been mentioned. Strawberries have flooded this country just a few weeks before our own Canadian strawberries have gone on the market. They killed the appetite of the Canadian people for our own strawberries, and our own producers were not able to get a proper price. If our own farmers are given proper protection we shall have enough vegetables in Canada, but they demand protection and should have it. I think the Minister of Agriculture should get together with the Minister of Finance and state the policy in regard to vegetables, and state it at once.

Mr. STEPHENSON: With reference to the statement of the hon. member for Halton, that we can supply in this country a lot of these fresh fruits and vegetables which we are importing from the United States, I have asked a question two or three times in the house, and I suggest to the hon. gentleman that he put it to the government. Perhaps they will answer him, but they will not tell me. Can these growers in Canada be given an assurance that this program will not be limited and that the United States product will not come here and flood this market after our growers made an effort to produce the things we need? Will he ask the government that?

Mr. CLEAVER: I have discussed the problem thoroughly with our growers and I am told that there is no need at the present time for any such assurance. The growers will grow to the fullest extent of their capacity to take care of the Canadian public for the first part of the crop. We have two crop seasons; and so long as our growers have an assurance not later than the thirtieth of April, they will produce all the vegetables needed for the Canadian public next winter. I have already suggested to the minister that it would be in order to give such an assurance, and between now and the first of May you can rest assured that it will be repeated.

Mr. STEPHENSON: The first of May will be too late.

Mr. CLEAVER: No, it will not be too late.

Mr. STEPHENSON: The growers must start to make preparations.

Mr. FRASER: They have to buy fertilizer and seed.

Mr. CLEAVER: Our growers do not wait until Monday to buy the fertilizer they need on Tuesday.

Mr. PEARKES: It is not a question of waiting until Monday to buy fertilizer. We on Vancouver island are sowing vegetable seeds now, in the month of February. I appreciate the government's difficulty. I see their desire to save a considerable sum of money. I also appreciate the point of view put forward by the hon. member for Winni-

peg North Centre. The health of this country is threatened if the people cannot get sufficient fresh vegetables. Surely the answer is simple. Surely one of the ministers of the government can assure the vegetable growers of this country that for this growing season, whether the vegetables are sown in the month of February or in the month of May, they will be able to harvest their vegetables and supply the people of Canada without having unfair competition placed upon them by the sudden opening of the market to United States vegetables. I am certain—and I have discussed the matter with vegetable growers this year; in fact, I discussed it last Christmas—that they are prepared to make a considerable outlay of capital, bring more acreage under cultivation, invest in newer equipment, so that they can cultivate their vegetables in sufficient quantity to supply the people of Canada. They are prepared to do all that if they can be given some reasonable guarantee as to the security of their market. I ask for this year that the government, if they want to save that amount of money, at least assure the vegetable growers now that they will not be subjected to unfair competition at harvest time.

Mr. COTÉ (Matapedia-Matane): I had not intended to speak in this debate, even though I represent a rural district and have been a member of the committee on agriculture and colonization. Having listened to the hon. member for Nanaimo, I should like to know if it is possible for him to give us for all Canada, with the exception of Victoria and Vancouver island, a sort of formula by which it would be possible to bring in cucumbers, tomatoes and so on during the winter months.

Mr. CRUICKSHANK: Move to British Columbia.

Mr. KNOWLES: I should like the Liberal members of the house to realize the position that the country is getting into under this whole program. The Minister of Finance has protested strongly against our claims that this whole bill was protectionist in nature. Once or twice he said it was the highest form of protection.

Mr. ABBOTT: I have not protested. I myself have said it was highly protectionist.

Mr. KNOWLES: The minister said both things.

Mr. ABBOTT: I have not said both things. From the beginning I have said that it is highly protectionist.

[Mr. Pearkes.]

Mr. KNOWLES: In answer to the hon. member for Vancouver-Burrard, the minister said it was the highest form of protection. But to me, on second reading, the minister said that it was not intended to be protectionist; that it was intended to be restrictive.

Mr. ABBOTT: That is right.

Mr. MACDONNELL (Muskoka-Ontario): All things to all men.

Mr. KNOWLES: We have a proposal that these fresh vegetables be prohibited at the present time. The hon. member for Halton gets up and assures us—and I have no doubt he knows of the assurance that he is giving—that the vegetable growers in his part of the country can step up their production to meet this changed situation. It means that a year or two from now, those vegetable growers, having built up their production—whether economic or otherwise—behind this highest form of protection, will be coming to the Liberal government and asking the Liberal government to keep this kind of protection in effect.

Mr. CRUICKSHANK: We shall still be in power.

An hon. MEMBER: Don't brag.

Mr. KNOWLES: The Liberal party may still be in power but its Liberalism will have vanished completely. The hon. member for Fraser Valley who, I think, believes to a considerable extent in free trade, will find it difficult to continue to support a government which not only has brought in the highest form of protection but finds itself in the position of having to keep that wall of protection there. It is the same old story that we have had throughout the whole history of Canada. I am talking to my Liberal friends now, not to the Tories. The Tories like this. It is the same old story of protection for an infant industry, and then the infant industry needs that protection for all time. In my view, there are many other ways in which this government has discriminated against the agricultural industry of this country that it must overcome. But this is not the way. This, in the long run, reduces the standard of living of the Canadian people; it reduces their purchasing power; and when the standard of living of the Canadian people goes down, the section of the community which suffers the most is the agricultural section. This course is completely "il-Liberal", and the demonstration we have had tonight shows that the minister's claim that this is just a temporary measure is just so much eyewash. It is the

beginning of a wall of protection; and once you get it built up, the tendency is for the people who have enjoyed that protection to want it to be built still higher. I submit that that argument falls to the ground and that the argument with regard to the health of the Canadian people is the one which this committee should consider. I think we should vote down this section. I agree with those who have said that there are one or two things in it such as watercress, endives, eggplant and so on which, so far as I know, are not of particular importance from the point of view of health. But I can see the great difficulties that we might get into in this committee if we went through the twenty odd items and tried to make amendments to strike out a few of them. This section deals with the banning of fresh vegetables in general, and I think the members of this committee should take this opportunity to speak for their constituents and vote it down.

Mr. JACKMAN: I regret that I have to put a proposition up to the minister again with regard to item 87. I am speaking particularly of certain vegetables within the clause. I will enumerate them because they are common vegetables, and I hope my suggestion may get the support or at least the commendation of the members across the way and of my hon. friends to the left. I am speaking particularly of the importation of these essential vegetables: cabbage, carrots, lettuce and tomatoes. The others are not quite so important. The total of the imports of those four vegetables during the eleven months ending November 30 of last year was $8,000,000 odd. That is not a large sum.

The first point I should like to make in my proposition is this. In another room in this building we have sitting a prices committee which is investigating the high cost of living. The proposal which I shall make is one which will reduce the cost of living to the Canadian people. That result arises in this way. If we allow the importation of the vegetables I have mentioned, the people who handle those vegetables in Canada, the wholesalers and the retailers, will not have their volume cut, as it is at the present time, down to 60 per cent of normal. They will have their ordinary volume. If they do not have their ordinary volume, they must charge all their overhead and wage costs against the domestic production which is available during the short crop season in our own country. Allow these vegetables to come in from the United States and the housewives of Canada will get cheaper vegetables.

The second point is this. We were told by the hon. member for Halton that if the market gardeners in Canada were given sufficient notice they would be able to provide all the fresh vegetables required. Our domestic production of cabbages cannot be kept beyond January. Lettuce cannot be kept for more than two weeks.

Mr. MITCHELL: Oh, no.

Mr. JACKMAN: I do not know how expert my hon. friend is, but my information comes from a man who handles these products, and I believe it is thoroughly reliable. Lettuce cannot be kept for more than two weeks. I also understand that the market gardeners of Canada would prefer that these fresh vegetables be allowed to come in during the winter months, because people develop habits in eating as in other things, and if they are able to get vegetables during the winter they will be likely to continue eating them during the summer. That is sound reasoning. Furthermore, it is sometimes difficult to get children to eat certain vegetables, and if they are away from them for four or five months out of the year it is hard to get them to eat them again.

May I now say something about the nutritional aspect, which was mentioned by the hon. member for Winnipeg North Centre. We have heard some very offhand expressions about having done so well over the past twenty or thirty years, as far as nutrition is concerned, when we did not have these imported vegetables. That has been told us not only by the Minister of Finance but also by the Minister of Labour a moment ago. I am not at all certain that the people in Britain may not get fresh vegetables from some of the south European countries where the currencies are weakened. Certainly they have their Brussels sprouts; there is no doubt of that. In regard to the value of present-day diets, which we are not able to maintain because of these restrictions, I should like to read from the proceedings of the national nutrition conference for defence, held at Washington on May 26, 27 and 28, 1941. I refer to the concluding address by Thomas Parran, surgeon general of the United States public health service. This, I think, will establish that, while we existed, and not badly, in years gone by, we have greatly improved our standards. Surgeon General Parran says:

> In the past two decades there have been breath-taking discoveries on many nutritional fronts. To find a parallel to this swift advance in knowledge we must go back to the epoch-making time of Pasteur, whose germ theory of

disease made possible a half century of progress against preventable infections. Without Pasteur and his co-workers and disciples, mankind still would be plague-ridden. He made our civilization vastly different. Tomorrow's civilization can be made vastly different, and far better than today's, if we put to work now, what we know now, about the nutrition of human beings.

In the past half century we have added twenty years to the average span of human life—

I hope the Minister of Finance will remember that.

—largely by saving the lives of babies and of young people. But life expectancy for those of us beyond the age of forty has not increased since Pasteur's time. On the contrary, many diseases have increased because more of us grow old enough to acquire them. Deaths have increased from cancer, heart conditions, kidney conditions, mental illness—in fact, from all of the so-called degenerative causes. It is easy to say that this is the strain of modern life. Yet every disease, every malfunction of an organ, results from a derangement in the functioning of the individual body cell. The individual cell functions properly if it is properly fed; and if it is not killed by the invasion of bacterial, virus, or chemical poisons, or by endogenous toxins. The food available to each of the body cells probably determines to a large degree the health of that cell, its proper functioning, its reciprocal relations with other cells, which make up organs and systems of the body.

Then later:

Doctor Sherman has told us that if we replace an average diet—

Such as the Minister of Finance no doubt had, and under which he flourished so well.

—with an adequate diet we get a ten per cent increase in the active, virile life span.

Some hon. MEMBERS: Hear, hear.

Mr. JACKMAN: It is quite easy to see that I am good until at least eleven o'clock.

Schedule I stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. ST. LAURENT: As previously arranged, tomorrow we go back to the debate on the address. If we should complete that we shall return to the emergency legislation, this measure being first.

Mr. GREEN: Would the Secretary of State for External Affairs say whether we shall continue with Bill No. 3 on Friday if the speech from the throne is not disposed of before that time?

Mr. ABBOTT: That would be my intention, Mr. Speaker.

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

APPENDIX

(IMPORT STATISTICS)

SCHEDULE I — Average 1937-38-39 — July 1, 1946—June 30, 1947

Tariff Item		Statistical class	Scheduled countries	Non-scheduled countries	Total	Scheduled countries	Non-scheduled countries	Total
7	2251	Beef and veal, fresh	11	3	14	2	1	3
	2252	Mutton and lamb	4	59	63	.....	.....	.....
	2253	Fresh pork	838	.....	838	767	.....	767
	2257	Fresh meats, n.o.p.	2	.....	2	2	.....	2
	2258	Edible offal, fresh		(included	elsewhere)	170	.....	170
8	2262	Canned beef	1	711	712	.....	.....	.....
	2264	Canned meats, poultry & game	9	43	52	1	2	3
9 & 9a	2254	Poultry and game, n.o.p.	66	6	72	1,611	.....	1,611
10	2261	Bacon, hams & prepared pork	118	.....	118	5	.....	5
	2262	Meats, prepared, not canned	33	.....	33	12	.....	12
	2267	Pork, barrelled & brined	6	1	7	.....	.....	.....
	2268	Pork, salt	254	.....	254	34	.....	34
	2269	Sausage	28	.....	28	10	.....	10
		Total meats	1,370	823	2,193	2,614	3	2,617
16	2325	Eggs in the shell	13	6	19	245	.....	245
18a	ex369	Peanut butter	(Not a	vailable)		(N	ot availab	le)
22	276	Cocoa and chocolate powder	132	37	169	5	3	8
26	286	Coffee, roasted & substitutes	223	1	224	192	1	193
27	285	Coffee, not imported direct	35	.....	35	2	.....	2
29	284	Green coffee, n.o.p.	38	3	41	76	.....	76
29a	322	Ceylon tea, black, n.o.p.	1	2	3	81	.....	81
	324	Ceylon tea, green, n.o.p.	.....	.....	.....	4	.....	4
	326	China tea, black, n.o.p.	1	1	2	3	.....	3
	328	China tea, green, n.o.p.	.....	.....	.....	5	.....	5
	330	India tea, black, n.o.p.	7	1	8	429	.....	429
	332	India tea, green, n.o.p.	.....	.....	.....	1	.....	1
	334	Japan tea, green n.o.p.	3	.....	3	227	.....	227
	336	Other tea, black, n.o.p.	3	1	4	328	.....	328
	338	Other tea, green, n.o.p.	.....	.....	.....	.....	.....	.....
31	298	Ginger and spices, ground	22	32	54	65	36	101
33	295	Nutmegs and mace, ground	1	.....	1	.....	.....	.....
		Total, tea, coffee, cocoa, spices	466	78	544	1,418	40	1,458
36	353	Yeast in bulk	155	39	194	287	.....	287
37 & 38	352	Yeast in packages	2	.....	2	2	1	3
42a	7296	Table salt	1	.....	1	63	.....	63
43	2285	Condensed milk	1	1	2	10	.....	10
Ex 45	206	Cereal foods, packaged	64	5	69	272	.....	272
46	207	Cereal foods, n.o.p.	17	13	30	717	.....	717
Ex 47	163	Beans n.o.p. except soy beans	71	46	117	522	28	560
48	170	Peas, whole	121	182	303	465	1	466
63 & 63a	172	Rice, cleaned	194	211	405	204	.....	204
65	203	Biscuits, not sweetened	66	91	157	203	4	207
	2347	Dog and pet foods	.....	.....	.....	40	.....	40
66	204	Biscuits, sweetened, n.o.p.	14	7	21	688	.....	688
67	208	Macaroni	45	5	50	2	11	13
79b	1666	Flowers and cut foliage	111	3	114	364	2	366
87	111	Asparagus, fresh	94	.....	94	465	.....	465
	112	Green beans	284	1	285	502	.....	502
	114	Beets	55	1	56	148	.....	148
	115	Cabbage	313	1	314	939	.....	939
	116	Carrots	355	6	361	1,222	.....	1,222
	117	Cauliflower	136	.....	136	428	.....	428
	118	Celery	536	6	542	2,298	.....	2,298
	119	Cucumbers	87	.....	87	277	.....	277
	120	Lettuce	920	.....	920	2,821	.....	2,821
	123	Green peas	117	31	148	174	25	199
	126	Spinach	159	.....	159	422	.....	322
	127	Tomatoes	812	601	1,413	3,504	2,910	6,414
	128	Fresh vegetables, n.o.p.	258	27	285	869	13	882
		Total, fresh vegetables	4,108	674	4,782	13,969	2,948	16,917

Tariff Item		Statistical class	Scheduled countries	Non-scheduled countries	Total	Scheduled countries	Non-scheduled countries	Total
89	141	Asparagus, canned	26	.....	26	99	.....	99
	142	Beans	34	1	35	126	.....	126
	143	Corn	2	.....	2	.....	.....	.....
	145	Peas	.....	2	2	3	.....	3
	146	Tomatoes	18	74	92	526	5	531
	147	Canned vegetables, n.o.p.	44	35	79	363	2	365
	148	Pimentos, canned	(included elsewhere)			30	.....	30
		Total, canned vegetables	124	112	236	1,147	7	1,154
90e	135	Frozen vegetables	.....	.....	.....	152	.....	152
91	2270	Soups and soup preparations	13	2	15	380	.....	380
92	2	Apricots and quince, fresh	110	1	111	483	.....	483
	4	Cherries	116	.....	116	404	.....	404
	5	Cranberries	177	.....	177	528	.....	528
	14	Peaches	246	1	247	1,169	.....	1,169
	15	Pears	469	10	479	1,444	31	1,475
	17	Plums	262	1	263	1,496	.....	1,496
	18	Berries	4	9	13	3	6	9
	19	Strawberries	441	.....	441	788	.....	788
94	7	Grapes	967	28	995	5,784	113	5,897
95	11	Cantaloupes	235	1	236	740	6	746
95a	12	Melons, n.o.p.	335	.....	335	600	.....	600
96 & 96a	20	Fresh fruit, n.o.p.	24	1	25	39	.....	39
97	8	Guavas, plantains, fresh	8	1	9	30	.....	30
	16	Pineapple, fresh	297	.....	297	995	.....	995
		Total, fruits, fresh	3,691	53	3,744	14,503	156	14,659
99b	31	Dried apples	45	1	46	74	.....	74
	42	Dried fruits, n.o.p.	26	6	32	37	8	45
99d	35	Dates, dried, unpitted in bulk	25	178	203	623	32	655
99e	36	Dates, dried, n.o.p.	(17)	.....	(17)	(1,316)	.....	(1,316)
99g	32	Apricots, dried	200	12	212	863	.....	863
	38	Peaches, dried	116	.....	116	675	.....	675
	40	Pears, dried	22	.....	22	112	.....	112
104 & 105	61	Fruit pulp, n.o.p.	43	74	117	975	96	1,071
108	2337	Honey & imitations	3	2	7	215	286	501
Ex 109	91	Almonds, unshelled	28	52	80	243	90	333
	92	Brazils	23	100	123	.....	342	342
	93	Filberts and hazelnuts	7	91	98	21	197	218
	95	Pecans	123	.....	123	284	.....	284
	96	Walnuts	182	27	209	1,054	118	1,172
	97	Other nuts, unshelled	43	11	54	71	1	72
		Total nuts, unshelled	406	281	687	1,673	748	2,421
110	ex 81	Coconuts, not import direct	.....	.....	.....	14	.....	14
123a	2131	Crabs, clams & shrimps, canned	228	46	274	87	12	99
124	2100	Oysters, shelled, in bulk	207	.....	207	430	.....	430
125, 126, 127	2136	Oysters, shelled, in cans	26	2	28	17	.....	17
128	2099	Oysters in the shell	8	.....	8	1	.....	1
130	2045	Turtles	3	.....	3	9	.....	9
138	265	Maple sugar and syrup	.....	.....	.....	2	.....	2
139	251	Glucose and corn syrup	59	1	60	1,009	457	1,466
143	1784	Cigars	36	1	37	14	1	15
143a	1785	Cigarettes	9	27	36	13	3	16
152c	73	Grape juice, in bulk	1	.....	1	76	.....	76
		Total, foods & tobacco	12,112	2,982	15,094	45,186	4,844	50,030
Ex 179	4295	Labels, etc.	(90)	(28)	(118)	(242)	(16)	(258)
Ex 181a	4296	Pictorial postcards, folders	505	62	567	622	6	628
Ex 184d	ex4267	Magazines, "pulp" & comics			(not available)			
192	4161	Card stock, bristol board	120	8	128	221	3	224
	4162	Chipboard, newsboard	56	.....	56	54	1	55
	4167	Strawboard	7	1	8	7	.....	7
	4168	Testboard for shipping containers	64	.....	64	.....	.....	.....
	4169	Wallboard, building board	332	15	347	1,671	25	1,696
	4212	Blotting paper	19	20	39	72	1	73
	4227	Tarred paper, roofing, sheeting	64	2	66	673	.....	673
192b	7201	Sandpaper, emery paper	42	25	67	118	.....	118
192c	4226	Roofing and shingles of felt	3	1	4	1	2	3
Ex 193	4241	Paper bags	76	56	132	551	1	552
194	4293	Playing cards	19	18	37	176	1	177
195	4218	Wallpaper	112	29	141	308	57	365
Ex 197	4185	Cover papers, not pasted or coated	15	2	17	87	.....	87
	4186	Cover papers, pasted, coated	31	14	45	124	13	137
	4228	Tissue paper	66	79	145	112	1	113
	4229	Toilet paper	87	.....	87	132	.....	132
	4230	Towels and napkins, plain	69	.....	69	42	.....	42
	4232	All kinds of paper n.o.p.	(337)	(85)	(422)	(621)	(52)	(673)
	4234	Facial tissues and handkerchiefs	528	.....	528	662	.....	662
197b	4192	Tissue wrapping paper	15	20	35	22	190	212
	4195	Wrapping paper, kraft	27	1	28	41	.....	41
197b	4197	Wrapping of all kinds, n.o.p.	241	69	310	332	3	335
	4199	Imitation parchment wrapping	(included elsewhere)			2	.....	2

Tariff Item	Statistical class	Scheduled countries	Non-scheduled countries	Total	Scheduled countries	Non-scheduled countries	Total
Ex 198	4191 Greaseproof and glassine	23	35	58	266	6	272
	4193 Vegetable parchment	7	28	35	38	1	39
	4204 Boxed papers and papetries	16	11	27	94	6	100
	4217 Gummed paper	44	27	71	296	16	312
Ex. 199	4202 Envelopes	112	14	126	81	1	82
	4216 Crepe paper, decorative	29	5	34	6	.....	6
	4235 Paper napkins, n.o.p.	13	5	18	37	25	62
	4252 Manufactures of paper, n.o.p.	(953)	(367)	(1,320)	(2,131)	(119)	(2,250)
	4254 Paper cups and dishes	(inclu	ded elsew	here)	149	.....	149
	4255 Paper doilies and lace paper	"	"		16	29	45
	4256 Paper novelties, flowers, games	"	"		86	25	111
	4302 Blank books, ruled or plain	38	46	84	109	8	117
	Total, paper & products	2,780	593	3,373	7,208	421	7,629
226	2303 Candles, n.o.p.	5	1	6	6	.....	6
	7184 Candles, paraffin wax	27	9	36	65	.....	65
Ex 228	8236 Toilet soap, n.o.p.	37	90	127	14	7	152
230	8231 Castile soap	3	46	49	1	.....	1
234	8224 Perfumery, toilet preparations	241	132	373	482	102	584
235b	364 Licorice, unsweetened	(124)	(1)	(125)	(191)	.....	(191)
247	8213 Liquid fillers and paints, n.o.p.	252	48	30	969	28	997
248	8214 Spirits, varnishes, lacquers	52	6	58	288	6	294
249	8216 Varnishes, lacquers, n.o.p.	160	14	174	626	10	636
251	8212 Gold liquid paint	2	.....	2	5	.....	5
252	8392 Blacking, shoe leather dressing	133	83	216	278	53	331
	8413 Polish, knife or other	161	79	240	423	26	449
Ex 257	8407 Ink, writing	(18)	(10)	(28)	(30)	(3)	(33)
Ex 271	7166 Lubricating oils, under 25 cents a gallon	(1,674)	(4)	(1,878)	(734)	(—)	(734)
	7167 Lubricating oils, n.o.p.	(1,594)	(36)	(1,630)	(3,319)	(3)	(3,322)
Ex 272	7182 Petroleum jellies	(204)	(67)	(271)	(625)	(9)	(634)
Ex 272a	7181 Petroleum greases, n.o.p.	(351)	(10)	(361)	(800)	(2)	(802)
323	7114 Silvered glass, n.o.p.	88	51	139	349	28	377
Ex 3261	7079 Decanters and tumblers	126	29	155	436	25	461
Ex 3260	7089 Heat resisting glassware, household	(292)	(40)	(332)	(2,597)	(16)	(2,613)
354a	6014 Aluminum household ware	79	16	95	797	95	892
Ex 362	6094 Electro-plated mfgrs., n.o.p.	(32)	(279)	(311)	(142)	(509)	(651)
Ex 362c	6077 Nickel plated ware, n.o.p.	(597)	(284)	(881)	(2,387)	(289)	(2,676)
	6082 Electro-plated ware, n.o.p.	(1,069)	(191)	(1,260)	(3,026)	(264)	(3,290)
Ex 414	5305 Typewriters	202	15	217	539	44	583
Ex 414a	5504 Dictating machines	(125)	(—)	(125)	(625)	(—)	(625)
Ex 414c	5500 Adding machines	(219)	(8)	(227)	(787)	(31)	(818)
415a	9078 Refrigerators, electric	908	.....	908	3,313	2	3,315
	9079 Refrigerators, n.o.p.	226	1	227	683	.....	683
Ex 415b	5448 Washing machines, n.o.p.	(740)	(—)	(740)	(87)	(—)	(87)
	5450 Washing machines, electric	(included	above)		(2,685)	(—)	(2,685)
Ex. 415c	5444 Clothes wringers, domestic	(70)	(—)	(70)	(298)	(2)	(300)
Ex. 415d	5445 Sewing machines	541	113	654	1,549	223	1,772
Ex 427	5250 Outboard motors	(118)	(—)	(118)	(1,492)	(4)	(1,496)
	5582 Air conditioning apparatus	(not avai	lable)		(403)	(12)	(415)
Ex 427h	5551 Motion picture projectors	(313)	(4)	(317)	(1,280)	(37)	(1,317)
432b	5604 Hollowware, enameled, iron	120	77	197	643	40	683
433	5600 Bathtubs, steel	(included	below)		773	.....	773
	5601 Basins, closets, sinks	141	1	142	827	15	842
Ex 440a	9152 Boats, open, pleasure	12	11	23	70	29	99
	9153 Launches, pleasure	116	1	117	359	.....	359
Ex 443	5715 Cooking stoves, coal or wood	(included	below)		202	20	222
	5716 Cooking stoves, electric over $25	"			162	.....	162
	5717 Cooking stoves, gas over $10	"			850	.....	850
	5718 Cooking stoves, oil, over $10	"			270	8	278
	5719 Furnaces, domestic, hot water	"			252	.....	252
	5720 Furnaces, domestic, warm air	"			249	.....	249
	5721 Oil burners	"			2,713	.....	2,713
	5723 Electric cooking apparatus, n.o.p.	1,325	34	1,359	1,596	41	1,637
	5724 Heating or cooking apparatus, n.o.p.	3,351	177	3,528	1,833	78	1,911
	Total, heating & cooking equipment	4,676	211	4,887	8,127	147	8,274
444b	9081 Lamp shades and holders	107	5	112	106	1	107
Ex 445	6150 Electric light fixtures, domestic	(772)	(73)	(845)	(4,527)	(102)	(4,629)
Ex 445a	6149 Electric flashlights, etc	(350)	(59)	(409)	(1,712)	(85)	(1,797)
Ex 445b	6147 Incandescent lamps, carbon	5	6	11	2	.....	2
	6148 Incandescent lamps, metal	153	122	275	750	1	751
Ex 445d	6173 Radio receiving sets	192	.....	192	1,570	3	1,573
	6167 Radio apparatus, n.o.p.	(2,190)	(176)	(2,366)	(6,015)	(333)	(6,348)
Ex 445e	6141 Batteries, electric, primary	(162)	(39)	(201)	(371)	(2)	(373)
	6142 Batteries, storage	(85)	(50)	(135)	(710)	(19)	(729)
	6139 Batteries, flashlight	(included	elsewhere)		(153)	(—)	(153)
Ex 445i	6157 Electric sad irons	(78)	.....	(78)	(435)	(64)	(499)
Ex 445j	6168 Electric dry shaving machines	(351)	(1)	(352)	(819)	(—)	(819)
449	5708 Steel wool	70	.....	70	125	1	126
451e	6225 Zipper fasteners	(not avai	lable)		107	1	108
Ex 462	9134 Camera & camera parts	(220)	(150)	(370)	(1,409)	(143)	(1,552)
465	9266 Signs, letters, other than paper	120	11	131	236	6	242
468	6227 Cages, bird, squirrel, etc	10	4	14	56	12	68
503, 504	4041 Tropical woods	51	30	81	365	513	878
504a, 505	4042 Ash	40	.....	40	108	.....	108
	4043 Cedar	150	.....	150	236	11	247
	4044 Chestnut	23	.....	23	13	.....	13

Tariff Item	Statistical class	Scheduled countries	Non-scheduled countries	Total	Scheduled countries	Non-scheduled countries	Total
	4045 Fir	376	.....	376	267	.....	267
	4046 Gumwood	238	1	239	223	.....	225
	4047 Hemlock	26	.....	26	16	.....	16
	4048 Hickory	29	.....	29	235	.....	235
	4049 Mahogany	112	9	121	81	414	495
	4050 Oak	912	4	916	3,383	.....	3,383
	4051 Pine, southern	184	.....	184	1,224	.....	1,224
	4052 Pine, white	705	.....	705	776	8	784
	4053 Poplar	130	.....	130	284	.....	284
	4054 Redwood	53	.....	53	16	.....	16
	4055 Walnut	256	1	257	434	.....	434
	4056 Lumber, hardwood, n.o.p.	224	10	234	302	.....	302
	4057 Lumber, n.o.p.	177	1	178	20	5	25
	4059 Pine, ponderosa & sugar	(included	elsewhere)		629	.....	629
	4071 Laths	12	.....	12	.....	.....	.....
	4072 Pickets	2	.....	2	7	.....	7
	4095 Staves, rough sawn	39	.....	39	.....	.....	.....
505a	4058 Hardwood flooring	53	.....	53	132	.....	132
	Total, lumber	3,792	56	3,848	8,753	951	9,704
Ex 506	4153 Window sash of wood	3	.....	3	20	.....	20
	4157 Manufactures of wood, n.o.p.	(726)	(155)	(881)	(1,601)	(83)	(1,684)
	4158 Bowls, trays, dishes of wood	(not	available)		168	4	172
506a	4145 Clothes pins and parts	.....	.....	.....	137	193	330
506b	4148 Doors, wood	4	.....	4	23	.....	23
507	4075 Veneers of rosewood, etc.	36	.....	36	238	.....	238
Ex 507a	4076 Veneers of wood, n.o.p.	.....	.....	.....	(848)	(13)	(861)
507b	4077 Veneers of wood, taped or jointed	5	.....	5	2	.....	2
507c	4073 Plywood, glued	97	13	110	71	59	130
507e	4079 Plywood, faced with metal	1	.....	1	27	.....	27
508	4153 Mouldings of wood	39	3	42	80	.....	80
512	9076 Picture frames	115	24	139	229	22	251
Ex 514	4142 Caskets & coffins	(79)	(—)	(79)	(85)	(—)	(85)
Ex 515	9265 Show cases	(30)	(1)	(31)	(250)	(—)	(250)
Ex 519	4151 Furniture, manila wood	737	202	939	2,904	277	3,181
	5692 Furniture, metal	547	50	597	2,419	44	2,463
519a	4147 Curtain stretchers	2	.....	2	3	.....	3
	5218 Wire screens and doors	14	1	15	26	1	27
	5441 Carpet sweepers	13	.....	13	138	18	156
	5502 Cash registers	36	.....	36	127	.....	127
519a	5594 Springs for furniture	27	.....	27	42	.....	42
	9075 Mattresses	21	10	31	21	2	23
	9273 Window cornices and poles	2	.....	2	2	4	6
597	9114 Cabinet organs	10	.....	10	4	.....	4
	9115 Pipe organs	6	.....	6	4	.....	4
	9117 Pianos	65	1	66	318	5	323
Ex 597a	9120 Phonographs	(327)	(16)	(343)	(1,603)	(51)	(1,654)
602	2171 Astrackan, dressed	41	20	61	82	.....	82
603	2172 Rabbit skins, dressed	31	343	374	95	12	107
	2173 Fur skins, dressed, n.o.p.	603	173	776	1,354	312	1,666
	2175 Fur skins, sheep pelts	(In	cluded ab	ove)	1,307	22	1,329
Ex 618b	1716 Tire casings	(251)	(77)	(328)	(4,257)	(46)	(4,303)
	1717 Inner tubes	(16)	(4)	(20)	(293)	(6)	(299)
624	9055 Bead ornaments	1	.....	1	10	3	13
	9071 Fans	1	1	2	2	.....	2
	9183 Statues and statuettes	23	75	98	128	61	189
	9255 Alabaster, etc. ornaments	21	100	121	483	119	602
625	2181 Manufactures of fur, n.o.p.	130	96	226	802	251	1,053
629	9088 Umbrellas, etc	33	28	61	225	67	292
647	9073 Jewellery, n.o.p.	664	234	988	2,883	726	3,609
Ex 648	9262 Precious stones, unmounted	(96)	(135)	(231)	(996)	(518)	(1,514)
Ex 651	9065 Buttons, collar & cuff	13	2	15	33	6	39
	9066 Buttons, n.o.p.	(149)	(73)	(222)	(699)	(24)	(723)
652	9069 Combs, toilet, fancy	37	116	153	180	26	206
Ex 655	9259 Pens, fountain	30	8	38	473	1	474
Ex 655a	9257 Pencils, lead, non-propelling	13	64	77	9	1	10
	9258 Pencils, lead, n.o.p.	86	60	146	169	4	173
665	8135 Fireworks	15	65	80	20	10	30
689a	7295 Mineral wool	(57)	(—)	(57)	(377)	(—)	(377)
Ex 695	9181 Paintings under $20	(2)	(5)	(7)	(3)	(14)	(17)
Ex 695a	9182 Paintings over $20	(1,303)	(472)	(1,775)	(569)	(307)	(876)
Ex 711	8423 Casings, synthetic for meat	272	.....	272	1,052	.....	1,052
	6143 Electric heating apparatus, n.o.p.	(52)	(2)	(54)	(1,001)	(16)	(1,017)
703b	9221 Automobile accessories	104	.....	104	96	.....	96
	9222 Automobile tires	122	.....	122	162	.....	162
	9223 Boots and shoes	780	21	801	971	.....	971
	9224 Clothing	3,620	300	3,920	4,886	1	4,887
	9225 Radio sets	664	2	666	1,102	.....	1,102
	9226 Furniture	944	24	986	1,579	.....	1,579
	9227 Miscellaneous	(1,543)	(270)	(1,813)	(3,491)	(2)	(3,493)
	Total tourist purchases	6,234	365	6,599	8,796	1	8,797
	GRAND TOTAL—complete items	37,677	6,867	44,534	110,958	9,372	120,330
	GRAND TOTAL—partial items	17,976	3,172	21,148	58,042	3,196	61,238

NOTE:—Import statistics relating to items included only in part are shown in brackets.

HOUSE OF COMMONS

Wednesday, February 18, 1943

The house met at three o'clock.

HOUSE OF COMMONS

TRAVELLING EXPENSES OF MEMBERS BETWEEN RESIDENCE AND OTTAWA

Mr. SPEAKER: The hon. member for Vancouver North (Mr. Sinclair) stated on the floor of the house on Monday last that the chief treasury officer who performs the duties of accountant of the house had refused to pay his travelling expenses by air and also those of the hon. member for Comox-Alberni (Mr. Gibson). He said:

I request that Your Honour give the reason which you gave to the accountant of the House of Commons as to why the expense accounts for the hon. member for Comox-Alberni and myself were refused.

This was the first time I heard there was any trouble in connection with these expense accounts; but I took no exception to the hon. member speaking on this matter at the time because he started by saying he rose to a question of privilege. By the time he was through I saw that the main object of his statement was a complaint against a part of the house's administration which is under my control. I then said:

I call the attention of the hon. member to a very well known rule, that the Speaker should not be questioned from the floor of the house.

I nevertheless assured the hon. member that due consideration would be given his remarks.

It is a well known rule laid down in May's 14th edition, page 334, that:

Questions dealing with matters within the jurisdiction of the Speaker should be addressed to the Speaker by private notice.

Payment of members' travelling expenses has always been under the control of the commissioners of the internal economy of the house, who, for the present session, are the hon. ministers of Justice, External Affairs, Finance and Fisheries. Section 16 of the House of Commons Act provides that those hon. ministers shall act together with the Speaker, and section 18 of the act says:

All sums of money voted upon such estimates (the estimates of the house), or payable to members of the House of Commons under the Senate and House of Commons Act shall be subject to the order of the commissioners, or any three of them, of whom the Speaker shall be one.

The commissioners have often considered the members' travelling expenses but they have not yet discussed the advisability of applying section 43 (1) of the Senate and House of Commons Act to travel by air. A meeting of the commissioners was called two weeks ago and had to be postponed because ministers were too busy attending other official business. I will make it a point to submit to them the cases of the hon. members for Vancouver North and Comox-Alberni, which in my opinion deserve the most serious consideration.

Mr. GEORGE BLACK (Yukon): Mr. Speaker, with respect to the statement Your Honour has just made I note that the hon. member for Vancouver North in making his statement said this:

The hon. member for Yukon (Mr. Black) informs me that he regularly travels by air and his accounts are approved.

I know the hon. member does not wish to misrepresent me, but he must have misunderstood me. I did not want him to understand that I regularly travel by air and that my accounts were paid. Occasionally when the adjournment of the house was so short that all of my time in going from my home and returning would be spent in travel, I have travelled by air and presented the accounts to the accountant of the house, with vouchers, and they have been paid. But that was not done on more than two or three occasions, and it is not the regular procedure.

Mr. JAMES SINCLAIR (Vancouver North): I can certainly substantiate that. That was the effect of the communication I received from the hon. member for Yukon, which I think makes our case all the stronger in that there should be no differentiation between ridings. On this matter of privilege, as a member of parliament, I did consider that when the accounts of a member of parliament were submitted to a servant of parliament and were refused, it was quite proper to draw Your Honour's attention to that fact in the House of Commons. I can also say that as a member of parliament I think your statement is not very satisfactory.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

*FOREIGN EXCHANGE CONTROL—U.S. FUNDS FROM VARIOUS SOURCES

Mr. McMASTER:

What was the amount of American dollars acquired by the foreign exchange control board in the period beginning January 1, 1947 and ending on the last day of November, 1947 from the following sources: (a) export of merchandise; (b) export of gold; (c) tourist and travelling expenditures by visitors to Canada; (d) interest and dividends; (e) freight and shipping; (f) the United Kingdom; (g) any other country; (h) from other sources, specifying, if possible, the more important ones?

What were the sources of the sums acquired by the foreign exchange control board which increased their reserves from $461,000,000 on December 17, 1947, to $514,000,000 on January 31, 1948, divided under the following headings: (a) export of merchandise to United States; (b) export of gold; (c) tourist and travelling expenditures by visitors to Canada; (d) interest and dividends; (e) freight and shipping; (f) the United Kingdom; (g) any other country; (h) gold acquired and held; (i) from other sources, specifying if possible, the more important ones?

Mr. ABBOTT: May I be permitted to answer these questions orally? I wish to point out that the information requested involves estimates of Canada's balance of payments which require a great deal of statistical work, and it is customary to make such estimates only on the basis of the calendar year. To attempt such estimates for broken periods, particularly for such a period as is referred to in the second question, would involve at least a very large amount of additional work, and the information could not be made available for a considerable period of time. A definitive estimate of Canada's balance of payments for the year 1947 will not be available until the report of the foreign exchange control board is published. However, I have requested that provisional or tentative estimates should be prepared, subject to correction later as all the details are available, and I trust that it will meet the purpose which the hon. member has in mind if I table now a copy of these provisional estimates for the year 1947, which have been prepared at my request.

TORONTO AND DISTRICT SUBURBAN TRANSPORTATION SERVICE

Mr. CHURCH:

1. When will the Toronto district be given a steam suburban service by both railways with commutation tickets and new equipment?

2. Why are not steel cars available on the Canadian National Railways to replace the wooden type now in use to Oakville and Brampton?

[Mr. Sinclair.]

3. Why has the transport board not acted under its powers under the Railway Act to give the Toronto district the same type of suburban service as for years has been available on Montreal island and district by both railway systems?

Mr. CHEVRIER:

The Canadian National Railways advise as follows:—

1. Commutation fares are available: (a) between Toronto and Oakville and intermediate points, (b) between Toronto and Weston and intermediate points, (c) between Toronto and Port Union and intermediate points, (d) between Toronto and Downsview and intermediate points.

With the number of first-class highways in the vicinity of Toronto paralleling railway tracks and the availability of other forms of transportation, additional steam railway services are not considered necessary to serve suburban communities.

2. Every effort is being made to distribute available passenger coaches of modern construction in the most effective way, and replacements of cars of the older type will be made as rapidly as circumstances permit.

3. The Board of Transport Commissioners advise as follows:

No application is before the board for an order requiring a change in the type of suburban railway service in the Toronto district, and there is no material on the board's files which would justify the board in issuing such an order.

CANADIAN NATIONAL RAILWAYS—COAL

Mr. HANSELL:

1. How much coal was used by the Canadian National Railways for each of the years 1945, and 1946 and what is the estimated value of this coal?

2. How much of this coal was imported from the United States during these years and what is the estimated value?

Mr. CHEVRIER:

The Canadian National Railways advise as follows:—

1. 1945—6,310,751 net tons—cost $38,432,474; 1946—6,082,395 net tons—cost $38,744,856.

2. 1945—4,336,688 net tons—cost $29,167,064; 1946—4,138,017 net tons—cost $29,751,724.

The above-mentioned costs include mine cost, foreign freight, duty and expense of handling through chutes and are exclusive of any charges for transportation over Canadian lines.

WAR ASSETS—SHEEPSKIN-LINED COATS

Mr. STUART (Charlotte):

1. Did War Assets Corporation, during the period February 1, 1947 to January 31, 1948, dispose of a quantity of army sheepskin-lined coats (a) with parkas; (b) with collars?

2. If so, were tenders called?
3. What are the names of those from whom tenders were received, showing quantity and prices?
4. Were similar goods disposed of through the Montreal office?
5. If so, what price was received for similar lines?

Mr. McILRAITH:

1. (a) Yes. (b) Yes.
2. No.
3. Not applicable. See answer to question No. 2 above.
4. Yes.
5. Prices received for similar lines range from $1 per garment for badly worn coats up to $10 per garment for new coats.

VETERANS BUSINESS AND PROFESSIONAL LOANS ACT

Mr. McCULLOUGH (Assiniboia):

1. How many applications have been made each year, by provinces, for the Veterans' Business and Professional Loans Act?
2. How many of these applications have been granted, by provinces, to date?

Mr. MAYHEW:

1. To December 31, 1947:

Province	Number	Amount
British Columbia	448	$ 865,463 81
Alberta	627	1,139,077 51
Saskatchewan	359	627,339 30
Manitoba	253	481,400 35
Ontario	1,428	2,496,536 81
Quebec	264	462.025 66
New Brunswick	88	128,470 36
Nova Scotia	139	206,504 04
Prince Edward Island.	51	70,778 00

2.

Province	Number	Amount
British Columbia	377	$ 732,171 60
Alberta	537	980,541 27
Saskatchewan	269	461,281 82
Manitoba	174	322,278 04
Ontario	1,166	2,030,291 65
Quebec	227	389,747 34
New Brunswick	68	98,860 62
Nova Scotia	100	141,782 13
Prince Edward Island.	41	54,707 00

NATIONAL HOUSING ACT—LAND DEVELOPMENT PROJECTS

Mr. TIMMINS:

How many projects with respect to land development have been commenced under the amendment to the National Housing Act of 1947, being new section 11B?

Mr. McILRAITH: As of February 10, 1948, agreements have been executed between Central Mortgage and Housing Corporation and the sponsoring lending institutions for six land development projects pursuant to the provisions of section 11B of the National Housing Act. Development has commenced on all six projects. The location, acreage involved, and number of residential lots expected from each project are as follows:

Mount Royal district, Montreal, 20 acres, 146 lots.

North York township, 122 acres, 383 lots.

Burlington, Ontario, 30 acres, 154 lots.

St. Boniface, Manitoba, 37·5 acres, 205 lots.

South Edmonton, Alberta, 12·6 acres, 75 lots.

Hastings townsite (suburban Vancouver) 9·6 acres, 96 lots.

Five other projects are at present under negotiation.

RENTAL OF BUILDINGS AT AJAX, ONT.

Mr. CASE:

1. How many buildings have been rented at Ajax, Ontario?
2. To whom were they rented?
3. How much floor space, in each case, was rented?
4. How much rental per foot was charged for such space?

Mr. McILRAITH:

1. Four buildings plus an area containing approximately 180 buildings.

2. Two buildings to Visco Petroleum Company, Toronto; one building to Gross Machinery Company Limited, Toronto; one building to Novelty Shoe Company Limited, Toronto.

Approximately 180 buildings in an area leased to the University of Toronto.

3. Two buildings—Visco Petroleum Company—24,000 sq. feet; one building—Gross Machinery Company—56,000 sq. feet; one building—Novelty Shoe Company—1,364 sq. feet.

The floor space occupied by the University of Toronto cannot be computed without considerable time and expense. The lease to the university covers a certain land area in which the buildings are situated and numerous changes have been made from the original layout.

4. Visco Petroleum Company—24,000 sq. feet at 2c per sq. foot; Gross Machinery Company—56,000 sq. feet at 2c per sq. foot; Novelty Shoe Company—1,364 sq. feet at 2c per sq. foot.

All above space unheated. Charge shown above is per month.

The lease with the University of Toronto covers an overall annual charge of $50,000 without reference to floor area.

VETERANS BUSINESS AND PROFESSIONAL LOANS ACT

Mr. McKAY:

1. What is the total value of loans made under the Business and Professional Loans Act since its inception?

2. How many loans have been made under this act in each of the provinces?

Mr. MAYHEW:

1. $5,211,661.47 to December 31, 1947.

2.

Province	Number
British Columbia	377
Alberta	537
Saskatchewan	269
Manitoba	174
Ontario	1,166
Quebec	227
New Brunswick	68
Nova Scotia	100
Prince Edward Island	41

VETERANS LAND ACT—SMALL HOLDINGS

Mr. McKAY:

1. How many veterans have been established in each province under the Veterans' Land Act on (a) farm lands; (b) small holdings?

2. What has been the total amount of loans advanced by the dominion government to establish veterans under the Veterans' Land Act on (a) farm lands; (b) small holdings in each province of Canada?

Mr. GREGG:

Return at December 31, 1947:

1. Net loans and grants approved

Province	(a) Full time farming
British Columbia	760
Alberta (*)	4,957
Saskatchewan	5,084
Manitoba	2,775
Ontario	3,336
Quebec	979
New Brunswick	574
Prince Edward Island	458
Nova Scotia	433
Total (†)	19,356

Province	(b) Small holdings
British Columbia	2,514
Alberta (*)	927
Saskatchewan	269
Manitoba	938
Ontario	6,374
Quebec	1,343
New Brunswick	711
Prince Edward Island	158
Nova Scotia	810
Total (†)	14,044

(*) Includes Peace River block.

(†) The above figures do not include 578 loans approved for commercial fishing under section 9; 6 grants approved for commercial fishing under section 35; nor 689 grants to Indian veterans under section 35A of the Veterans Land Act, 1942.

2. Net amount of loans and grants approved:

Province	(a) Full time farming	(b) Small holdings
British Columbia	$ 3,710,566	$12,422,988
Alberta (*)	21,514,091	4,732,303
Saskatchewan	21,852,185	1,269,285
Manitoba	13,915,574	4,881,646
Ontario	17,838,887	34,824,832
Quebec	5,064,442	7,984,647
New Brunswick	2,379,292	3,263,643
Prince Edward Island	2,152,684	716,467
Nova Scotia	1,986,271	3,346,077
Total (†)	$90,413,992	$73,441,888

(*) Includes Peace River block.

(†) The above amounts do not include $2,166,742 approved for commercial fishing under section 9; $13,920 approved for commercial fishing under section 35; nor $1,454,704 approved for Indian veterans under section 35A of the Veterans' Land Act, 1942.

Expenditures out of approved loans and grants

Province	(a) Full time farming	(b) Small holdings
British Columbia	$ 3,030,976 38	$ 9,922,503 82
Alberta	16,112,149 91	4,177,085 02
Saskatchewan	16,660,843 92	1,167,743 36
Manitoba	12,313,741 98	4,906,789 16
Ontario	15,578,329 91	24,768,148 92
Quebec	4,095,487 94	5,982,701 97
New Brunswick	2,095,031 99	2,740,634 46
Prince Edward Island	1,853,104 65	592,342 26
Nova Scotia	1,821,241 64	2,556,792 54
	$73,560,908 32	$56,814,741 51

These figures do not include grants made to veterans on dominion and provincial lands as records are not maintained under the separate headings. The amounts expended for these purposes are as follows:

Province	
British Columbia	$ 41,842 80
Alberta	1,060,557 54
Saskatchewan	1,316,775 44
Manitoba	225,776 90
Ontario	21,061 35
Quebec	33,090 52
New Brunswick	16,350 50
Prince Edward Island	....
Nova Scotia	....
	$2,715,455 05

NAVY AND AIR FORCE—FILM BUREAUS

Mr. FRASER:

1. Does the Royal Canadian Navy and the Royal Canadian Air Force maintain film bureaus?
2. If so, how many people were employed in each of these bureaus during the year 1947?
3. How many of these people were members of the armed services?
4. How many were civilians?
5. What was the total cost of carrying on each of these bureaus during the year 1947?
6. How many films were produced by each service?
7. What were the names of these films and what were they used for?
8. Are these film bureaus connected, or affiliated with the national film bureau?

Mr. LAPOINTE:

1. The navy and air force do not maintain film bureaus as separate units. Co-ordination of requirements is carried out by personnel of the training branches. Procurements and distribution are effected through the supply branches in the same manner as for other technical equipment.

2. Navy: Two, part time; Air Force: two, full time; two, part time.

3. Navy: one petty officer photographer part time; Air Force: one staff officer (full (time), one leading aircraftman (full time), one corporal (part time).

4. Navy: one (part time); Air Force: one (part time).

5. Navy: $3,900; Air Force $7,175.

6. Navy: one now being edited; Air Force: none.

7. The above navy film is confidential and for service instructional purposes only.

8. No. A joint service film bureau is now being organized to cover requirements of the department.

FOREIGN EXCHANGE CONTROL—ENFORCEMENT OFFICERS

Mr. KIDD:

1. How many enforcement officers are employed by the foreign exchange control board?
2. Who are they?
3. What date were they appointed?
4. Where are they located?
5. What salary does each receive?

Mr. MAYHEW:

1, 2, 3 and 4. The foreign exchange control board as such does not employ any enforcement officers. Under section 12 of the Foreign Exchange Control Act, "the Bank of Canada in its capacity as fiscal agent for the government of Canada shall, without charge . . . (a) provide the board with such officers, clerks and employees . . . as may be required by the board . . .". Under section 36(1)(e) the board may "plan the organization of the board, appoint the officers, clerks and employees furnished to the board by the Bank of Canada to offices or positions under the board and authorize such officers, clerks and employees to act on behalf of the board in the conduct of its operations."

The officers so provided to the board who are engaged wholly or to a considerable extent in enforcement work for the board at the present time, the dates since which they have been engaged on this work for the foreign exchange control board, and their present locations are as follows:

Name—Date—Location

G. Bousquet, June 1, 1947, Montreal.
W. A. Cameron, Sept. 16, 1939, Montreal.
H. Cree, Oct. 29, 1947, Toronto.
N. Fergusson, Oct. 15, 1947, Ottawa.
J. R. B. Graham, July 18, 1940, Vancouver.
R. Lang, Sept. 22, 1939, Ottawa.
J. S. Lockie, Jan. 1, 1945, Windsor.
G. Longman, Sept. 23, 1947, Ottawa.
J. L. MacCallum, Sept. 24, 1945, Ottawa.
E. M. MacFarlane, April 9, 1942, Toronto.
M. Popovich, Sept. 5, 1947, Windsor.
C. A. Rowe, June 2, 1947, Ottawa.
J. E. Rowe (Miss), Sept. 22, 1947, Ottawa.
R. H. Tarr, Jan. 1, 1942, Ottawa.
F. Walsh, Oct. 30, 1947, Ottawa.

In addition, under the Foreign Exchange Control Act all customs officers and members of the R.C.M.P. are officers for the purpose of the enforcement of the act.

5. As the officers provided to the board are employees of the Bank of Canada, their salaries are not a matter of government record.

WHITEHORSE FEDERAL BUILDING

Mr. BLACK (Yukon):

When will the government build the federal building at Whitehorse, Yukon, for which plans and estimates were prepared two years ago?

Mr. FOURNIER (Hull): Sketch plans and estimates only were prepared in 1946 for use in determining the magnitude of the project. The whole question of when projects such as this one shall be proceeded with is one that depends largely on the supply of labour and materials, which, at present, are being directed primarily to veterans' housing, and, secondly, to the expansion of industry.

The priority that is given to the construction of new public buildings is very low. The present policy is to restrict new construction to an absolute minimum and to proceed only with maintenance and repairs of existing structures. At a later date, when the aforementioned

demands have been satisfied, attention will be given to the construction of new public buildings.

This is the policy that is being followed with relation to new buildings throughout the country. As the building at Whitehorse is a new project, it is felt that it should remain in the deferred class as there is no greater urgency for this particular structure than for others of a similar nature throughout the country.

R.C.A.F.—RESCUE ACTIVITIES

Mr. WINKLER:

1. In the last year, in how many rescue attempts employing aeroplanes, did the Royal Canadian Air Force participate?

2. How many were rescued?

3. Were lives lost in attempting rescue? If so, how many?

Mr. LAPOINTE:

1. 41 (Period 11th February, 1947, to 11th February, 1948).

2. Four persons. In addition 10 lost marine vessels (number of personnel aboard unknown) were located by R.C.A.F. aircraft.

3. No.

NATIONAL FILM BOARD—"EYES ON CANADA"

Mr. BENTLEY:

1. Has the Canada Carries On release, "Eyes on Canada" been banned in the United States of America?

2. If so, on what grounds?

Mr. WINTERS:

1. No. The Canada Carries On film "Eyes on Canada" is the January release in the series. Normally the Canada Carries On films are exhibited in Canada before being exhibited in the United States. It is expected that the usual bookings for the film will be made in the United States. No ban has been placed on this film in the United States or elsewhere.

2. See answer to No. 1.

INTERNATIONAL BILL OF RIGHTS

Mr. KNOWLES:

1. Has a copy of the international bill of rights, which was approved by the commission on human rights, at its meeting in Geneva, been received by the Canadian government?

2. Has Canada been asked for comments on this international bill of rights before it is submitted to the general assembly of the united nations?

3. Have such comments been given?

4. If so, what is the nature thereof and will parliament be given an opportunity to express itself on this matter?

Mr. ST. LAURENT: I presume that this question will be dropped in view of the answer given by the Prime Minister on Friday last to an oral question put by the hon. member for Lake Centre on the orders of the day.

Mr. KNOWLES: Yes, it was answered.

Mr. SPEAKER: Dropped.

EXPORTS AND IMPORTS, VARIOUS COUNTRIES

Mr. TIMMINS:

What was the amount of our exports and imports respectively, in the year 1947, with each of the following countries: Cuba, Dominican Republic, Guatemala, Haiti, Panama, El Salvador, Switzerland, U.S.S.R., United States of America and its possessions, Venezuela?

Mr. McILRAITH:

Calendar year 1947	Import (Thousands of dollars)	Export
Cuba	$ 23,751	$ 7,502
Dominican Republic	8,186	1,914
Guatemala	9,488	1,630
Haiti	227	1,366
Panama	2,107	1,882
Salvador	1,342	665
Switzerland	11,941	14,196
Russia (U.S.S.R.)	181	4,866
United States	1,947,679	1,034,226
Alaska	744	300
Virgin Islands	16	160
Guam	—	199
Hawaii	709	3,299
Puerto Rico	270	2,605
Venezuela	46,688	12,989

NORMAN WELLS—WHITEHORSE PIPE LINE

Mr. BLACK (Yukon):

1. What disposition is being made of the pipe line laid during the last world war from Norman Wells, N.W.T. to Whitehorse, Yukon?

2. What disposition is being made of the oil refinery erected at Whitehorse, Yukon, during the last world war?

3. Were said pipe and said refinery imported to Canada? If so, from where?

4. If said pipe and/or said refinery are remaining in Canada for use elsewhere than in Yukon will the purchasers or users thereof be charged customs or other duties thereon as on other foreign goods?

5. Are customs or other duties or charges being or to be charged or made to the users in British Columbia and Yukon, Canada, of piping imported and installed in British Columbia and Yukon during said last world war known as Canol project No. 2, and remaining in use there, as on foreign goods?

Mr. ST. LAURENT:

1. The United States government sold it in October, 1947, to the L. B. Foster Company, Pittsburgh, Pa., and the Albert and Davidson Corporation, Brooklyn, N.Y.

2. The United States government sold it, in August, 1947, to Imperial Oil Limited, Toronto.

3. Yes. The United States.

4. Under the exchange of notes of November 7 and December 30, 1946 (tabled in parliament on December 9, 1947), and at its request, the United States government was authorized to transfer ownership of these facilities without the latter being subject to import duties or excise taxes, it being considered desirable to facilitate the disposal of these facilities by the United States government as it had had to expend considerable sums in their construction.

5. The United States government has made no similar request with regard to this pipe line since it still has title to it. In the circumstances, if and when the pipe line is leased or rented by the United States government for any period to a private individual or corporation, customs duties and excise taxes will be required to be paid.

GENEVA AGREEMENTS—SHIPMENT OF CATTLE TO UNITED STATES

Mr. BENTLEY:

1. Into what classifications are the beef cattle which will be allowed into the United States of America from Canada under the new trade agreements, divided?

2. Which, if any, classes will be allowed into the United States through (a) public markets; (b) private sales?

Mr. McILRAITH:

1. Schedule XX—to the general agreement on tariffs and trade signed at Geneva on October 30, 1947, being the concessions extended by the United States provides:

Tariff Act of 1930 paragraph 701.

Cattle weighing less than 200 pounds each or 700 pounds or more each (rate of duty) 1½c per lb.

Provided, That not more than 200,000 head of cattle weighing less than 200 pounds each entered in the 12-month period beginning April 1, in any year, and not more than 400,000 head of cattle weighing 700 pounds or more each (other than cows imported specially for dairy purposes) entered in any such period, but not more than 120,000 head of such cattle weighing 700 pounds or more each entered in any 3-month period beginning April 1, July 1, October 1, or January 1 within any such 12-month period, shall be dutiable at 1½ cents per pound; and any of the foregoing cattle not subject to that rate of duty shall be dutiable at (rate of duty) 2½c per lb.

Provided further, That the preceding proviso shall be effective only upon the expiration of 30 days after the President of the United States, after termination of the unlimited national emergency proclaimed on May 26, 1941, shall have proclaimed that the abnormal situation in respect of cattle and meats has terminated.

2. At the present time no cattle for slaughter are permitted for export to the United States. It is impossible at this time to prognosticate future policy.

VETERANS LAND ACT—REPAIRS TO HOUSES—DISTRICT SUPERVISORS OF CONSTRUCTION

Mr. PEARKES:

1. Is any construction or repair work being carried out by day labour upon V.L.A. projects?

2. If so, what officers of the Department of Veterans Affairs are responsible for the supervision of this work?

3. How many district supervisors of construction, and how many building inspectors are employed by the department?

4. Where are these usually located?

Mr. GREGG:

1. Yes.

2. Supervisors of construction (building inspectors) who are responsible to district supervisors of construction.

3. District supervisors of construction—9 supervisors of construction (building inspectors)—97.

4. A district supervisor of construction is located in each district office as follows: Vancouver, B.C.; Edmonton, Alta.,; Saskatoon, Sask; Winnipeg, Man.; Toronto, Ont.; London, Ont.; Ottawa, Ont.; Montreal, P.Q.; Saint John, N.B..

Supervisors of construction (building inspectors) work from the headquarters as indicated hereunder:

Vancouver, B.C., 2; Victoria, B.C., 3; New Westminster, B.C., 6; Kelowna, B.C., 1; Nelson, B.C., 1; Kamloops, B.C, 2; Peace River, Alta, 1; Edmonton, Alta, 4; Calgary, Alta, 2; Lethbridge, Alta., 1; Saskatoon, Sask., 1; Regina, Sask., 1; Prince Albert, Sask., 1; Winnipeg, Man., 4; Dauphin, Man., 1; Brandon, Man., 1; Port Arthur, Ont., 1; Toronto, Ont., 23; Dundas, Ont., 2; London, Ont., 4; Windsor, Ont., 2; Guelph, Ont., 3; Ottawa, Ont., 4; Kingston, Ont., 1; Campbellford, Ont., 1; Montreal, Que., 10; Sherbrooke, Que., 1; Quebec, Que., 1; Hull, Que., 1; Saint John, N.B., 4; Moncton, N.B., 2; Fredericton, N.B., 1; Sydney, N.S., 1; Truro, N.S., 1; Kentville, N.S., 1; Charlottetown, P.E.I., 1.

CANADIAN ARMY—SPECIAL PACIFIC CAMPAIGN PAY

Mr. PEARKES:

1. When was the special Pacific campaign pay authorized for the Canadian army?

2. When was it discontinued?

3. How many officers and men of the Canadian Army received this Pacific pay?

4. How many of these served in a Pacific theatre of operations?

5. How many served only in Canada or the United States when in receipt of this Pacific pay?

6. How many officers and men of the Canadian Army served in a Pacific theatre but did not receive this special pay?

Mr. LAPOINTE:

1. June 1, 1945, under conditions given in return to order of the House of Commons tabled on May 28, 1946, containing similar information to that now sought.

2. Entitlement automatically ceased on return of recipients to Canada.

3. Approximately 325 officers and 1,300 other ranks.

4. None.

5. (a) In Canada—none. (b) In the United States—325 officers and 1,300 other ranks. The Pacific force was undergoing special training in United States for Pacific warfare when hostilities terminated. Training was discontinued and the forces returned to Canada as soon as possible.

6. 221 officers and 2,198 other ranks, none of whom were members of the Canadian Army Pacific force. This is exclusive of the Kiska force but includes personnel who served in various capacities in the Pacific but not forming part of the Canadian Army Pacific force.

EXTERNAL AFFAIRS—PERSONNEL IN VARIOUS COUNTRIES—MEDICAL EXAMINATION OF IMMIGRANTS

Mr. WINKLER:

1. By stations, what is the number of personnel of External Affairs Department at the following points: Oslo, Norway; Copenhagen, Denmark; Stockholm, Sweden; Berne, Switzerland?

2. Apart from clerks, what are the appointments?

3. Are medical officers on the permanent staff?

4. Are local medical doctors employed to examine prospective immigrants to Canada?

Mr. ST. LAURENT:

1. Oslo, Norway, 6; Copenhagen, Denmark, 5; Stockholm, Sweden, 3; Berne, Switzerland, 7.

2. Oslo, Norway, minister; Copenhagen, Denmark, minister and foreign service officer, grade 2; Stockholm, Sweden, foreign service officer, grade 1; Berne, Switzerland, minister and foreign service officer, grade 6.

3. No.

4. Yes. Roster doctors are appointed by the mission.

OILS AND FATS ADMINISTRATION

Mr. POULIOT:

1. Referring to Mr. F. H. Lehberg, Oils and Fats Administrator, wartime prices and trade board, when and where was he born?

2. When did he come to Canada to stay?

3. When was he appointed Oils and Fats Administrator and on whose recommendation?

[Mr. Pearkes.]

4. Where and for whom did he work before and what was his experience (a) in oils and (b) in fats?

5. What was his education?

6. What is his salary?

7. What is his particular jurisdiction regarding the administration of oils and fats?

Mr. MAYHEW:

1. Mr. F. H. Lehberg was born in Winnipeg, Manitoba, February 18, 1908.

2. Answered by 1.

3. Appointed administrator of oils and fats, April 1, 1945, on the recommendation of the chairman.

4. Previously employed with the Board of Grain Commissioners, Department of Trade and Commerce, Winnipeg, Manitoba, Mr. Lehberg had over ten years experience in the oils and fats field particularly with regard to technological and economic aspects.

5. Degree of Licencie en Sciences Chimiques, 1923-1927, Institut Meurice Chimie, Brussels, Belgium (State Institution for Chemical Engineering Studies); post graduate work in food chemistry to 1928; special certificates for proficiency in bacteriology, food chemistry, physiological and clinical chemistry. Master of science degree, university of Manitoba, 1939, with specialization in the biochemistry of fats and oils, and the submission of a thesis on the drying properties and behaviour of linseed oil.

6. Serves without remuneration (formerly $4,500 per annum.)

7. Overall jurisdiction in all phases of administering oils and fats problems.

SUBSIDIES TO P.E.I. FUR FARMERS

Mr. McLURE:

1. What amount of subsidies were paid under the Marketing Support Act to the fur farmers of Prince Edward Island in the year 1947?

2. Was the grading standards raised or lowered for the year 1948?

3. What is the ceiling price for grades A, B, C, D?

4. Are platinums graded by same system as standard silvers?

Mr. McLURE: Mr. Speaker, the department got in touch with me in regard to the matter, and they said at a later date they would furnish me with full information; therefore I ask that the question be dropped.

Mr. SPEAKER: Dropped.

DIPLOMATIC SERVICE

Mr. McMASTER:

1. How many diplomatic representatives has Canada presently serving abroad?

2. In what countries?

3. What is the total personnel in each office and the total expenditure for the year 1947?

Mr. ST. LAURENT:

1. 96.

2. Argentina, Australia, Belgium, Brazil, Chile, China, Cuba, Czechoslovakia, Denmark, France, Germany, Greece, India, Ireland, Italy, Japan, Mexico, Netherlands, Newfoundland, New Zealand, Norway, Peru, Poland, Portugal, South Africa, Sweden, Switzerland, Turkey, United Kingdom, United Nations, United States (Chicago, New York, Portland (Maine), Washington), U.S.S.R.

3.

	No. of Personnel	Expenditure
Argentina	11	$ 83,872.12
Australia	11	53,591.78
Belgium	19	135,516.63
Brazil	12	73,318.21
Chile	9	66,487.07
China	17	151,602.86
Cuba	8	63,740.47
Czechoslovakia	6	42,714.22
Denmark	6	23,115.55
France	50	302,429.03
Germany	15	31,837.38
Greece	16	87,485.02
India	12	62,724.71
Ireland	10	45,193.33
Italy	5	15,172.51
Japan	8	38,546.73
Mexico	18	92,736.02
Netherlands	15	92,855.97
Newfoundland	4	40,527.69
New Zealand	9	52,650.38
Norway	10	66,874.21
Peru	8	39,681.54
Poland	5	36,613.60
Portugal	1	8,618.71
South Africa	5	48,467.79
Sweden	3	7,963.76
Switzerland	7	77,780.37
Turkey	5	29,389.97
United Kingdom	78	320,770.89
United Nations	7	19,404.27
United States		
Chicago	8	13,388.14
New York	21	122,696.03
Portland (Maine)	..	1,109.53
Washington	62	283,047.83
U.S.S.R.	13	102,712.83
Total expenditure		$2,887,805.76

NORTH RUSTICO, P.E.I., HARBOUR

Mr. McLURE:

1. How much work was done at North Rustico harbour (a) in 1946; (b) 1947, to protect the property of fishermen and federal government, and at what cost?

2. Has the cribwork been satisfactory?

3. Was the work done by contract or day's labour?

4. Will the dredging of Rustico bay be done this year?

Mr. FOURNIER (Hull):

1. (a) Saw-tooth and sand fence, 860 feet long at cost of $3,515.06; (b) new cribwork on beach, 750 feet long at cost of $4,220.56.

2. Cribwork has proven satisfactory.

3. Day labour.

4. Matter of dredging receiving consideration.

BANK OF CANADA—CHARLOTTETOWN BRANCH

Mr. McLURE:

1. Was the branch of the Bank of Canada transferred or withdrawn from Charlottetown, Prince Edward Island? If so, for what reason?

2. Were employees of said branch guaranteed similar positions and reimbursed for transfer expenses?

3. Where are said employees now located?

Mr. MAYHEW:

1. Yes. The premises which were occupied by the agency, Bank of Canada, in Charlottetown are owned by the government of Prince Edward Island. Following repeated urging from the premier of that province, the Bank of Canada felt obliged to vacate the premises, notwithstanding that, as understood by the premier, this involved the closing of the agency and the withdrawal from the province because of inability to obtain other suitable quarters.

Arrangements have been made with the Eastern Trust Company to act on behalf of the Bank of Canada in connection with transfers and exchanges of government of Canada bonds. Facilities are also provided at the Eastern Trust Company for the registration of notices of intention to give security under section 88 of the Bank Act.

2 and 3. Not of government record.

C.N.R. MONCTON SHOPS—APPRENTICES FROM P.E.I.

Mr. McLURE:

1. Has a quota been established for apprentices from Prince Edward Island to learn trades in the Canadian National Railways shops at Moncton, New Brunswick?

2. If not, when will quota be established?

Mr. CHEVRIER:

The Canadian National Railways advise as follows:—

1. No. Under the applicable wage agreement apprentices are engaged in ratio to craftsmen in the service. Applications are received and dealt with on a regional basis, with no quota established as between provinces.

2. See answer to No. 1.

WINNIPEGOSIS, MAN., GOVERNMENT DOCK

Mr. ZAPLITNY:

1. Has any work been done so far in connection with the reconstruction of the government dock at Winnipegosis, Manitoba?
2. If so, what amount has been spent to date on this work?
3. What is the estimated total expenditure on this project?

Mr. FOURNIER (Hull):

1. Yes.
2. $18,415.30.
3. $22,065.14.

RIDING MOUNTAIN NATIONAL PARK—TIMBER LIMITS

Mr. ZAPLITNY:

1. Has the federal government acquired the timber limit previously owned or leased by the Northern Trust Company within the boundaries of the Riding Mountain national park?
2. If so, at what date?
3. What remuneration or other emolument was given to the Northern Trust Company as a condition of transfer?
4. Does the Northern Trust Company own or lease a timber limit anywhere else in the Riding Mountain national park at the present time?
5. Are permits for saw-logs now being granted or sold to the general public in the area formerly leased or owned by the Northern Trust Company?
6. If so, what fee is charged for such permits?

Mr. GLEN:

1. Yes.
2. May 1, 1947.
3. None.
4. No.
5. No, this area was not included in the current year's cutting operations.
6. See answer to No. 5.

INDIAN AFFAIRS—SCHOOLS

Mr. CHURCH:

What action does the government propose to take in connection with the recommendation of the committee on Indian affairs for an increase of 17 per cent for Indian schools?

Mr. GLEN: The department has no knowledge of such a recommendation having been made by the special joint committee of the Senate and the House of Commons on Indian affairs. Some time ago the churches operating residential schools asked the department to increase the per capita grants to take care of the increased cost of living. This request is now being considered by the government and it is expected that a decision will be reached shortly.

[Mr. Chevrier.]

DIPLOMATIC SERVICE

Mr. HAMEL:

1. Since September 1, 1947, how many ambassadors or diplomatic representatives have been appointed by the government of Canada?
2. On what date and to what position was each one appointed?
3. By whom were the credentials signed in each case?

Mr. ST. LAURENT:

1. Four.

2. Mr. E. J. Garland, September 11, 1947, as Canadian minister in Norway.

Mr. Emile Vaillancourt, December 30, 1947, as Canadian minister in Yugoslavia.

Mr. J. A. Strong, January 26, 1948, as special Canadian ambassador to the inauguration of the President of Venezuela.

Mr. Charles P. Hebert, February, 3, 1948, as Canadian minister in Cuba.

3. In each case, by His Majesty the King.

IMMIGRATION—DISPLACED PERSONS—MINING

Mr. HERRIDGE:

1. How many displaced persons have been brought to Canada to engage in mining work?
2. Of these, how many were found medically unfit upon examination at place of employment?
3. What provision is made by the government for further medical aid to such persons and placing them in suitable employment?

Mr. COTE (Verdun):

1. 727.

2 and 3. Ten were found to be unsuitable for employment in mines; nine have been placed in other employment in co-operation with the national employment service; one is in hospital for observation under arrangements made by the Department of Labour.

UNEMPLOYMENT INSURANCE—INVESTIGATIONS BY R.C.M.P.

Mr. KNOWLES:

1. Are recipients of unemployment insurance benefits subject to investigation while drawing the same?
2. If so, what personnel are used for the making of any such investigations?
3. Are any such investigations made by the Royal Canadian Mounted Police? If so, on what authority?

Mr. COTE (Verdun):

1. Yes.

2. Personnel of the regional and local offices of the unemployment insurance commission in all parts of Canada and by the Royal Canadian Mounted Police, when so requested by the unemployment insurance commission in certain remote areas of Ontario and the prairie provinces within the unemployment insurance commission's prairie regional division.

3. Answered by No. 2.

MAPLE SYRUP PRODUCTION—BUCKETS

Mr. BERTRAND (Terrebonne):

1. Since 1936, has the government of Canada paid any sums of money or subsidies to the government of the province of Quebec in order to enable maple syrup producers to change tin buckets for aluminium buckets?

2. If so, what amounts have been contributed in each of the years 1936 to 1947 inclusive?

Mr. McCUBBIN:

1. Yes.

2. Fiscal year	Amount contributed
1936-37	Nil
1937-38	Nil
1938-39	Nil
1939-40	Nil
1940-41	$106,198.41
1941-42	12,576.79
1942-43	Nil
1943-44	Nil
1944-45	Nil
1945-46	87,784.45
1946-47	194,271.49
1947 (to December 31)	106,902.66

YOUTH ASSISTANCE PROGRAM—QUEBEC ARTS AND CRAFTS SCHOOLS

Mr. BERTRAND (Terrebonne):

1. Has the government of Canada paid, in the province of Quebec, any sums of money for the building of arts and crafts schools, under the youth assistance program, during 1945, 1946 and 1947?

2. If so, how many projects have been submitted, what were such projects and what federal contribution did each one involve?

3. For what projects has the government of Canada now paid the contribution promised?

Mr. COTE (Verdun):

1. Yes. Under Vocational Schools Assistance Agreement.

2 and 3. The following projects have been submitted and approved from April 1, 1945 to February 16, 1948. The amount of dominion contribution and the actual payments towards such contributions made are shown opposite each school.

School	Dominion contribution approved	Dominion contribution paid to Feb. 16, 1948
Central Arts and Crafts, Montreal	$ 125,000	$ 125,000 00
Montreal Technical	193,750	42,729 94
Quebec Technical	177,000	106,190 41
Hull Technical	97,500	34,331 98
Three Rivers Technical	162,500	....
Paper making school, Three Rivers	25,000	....
Saw mill school, Duchesnay	57,500	25,315 11
Home economics school, Montreal	5,500	....
Forest protection—Duchesnay	6,000	264 23
Forest rangers—Duchesnay	23,000	3,732 52
Cap de la Madeleine	62,500	50,091 35
Chicoutimi	125,000	....
Drummondville	100,000	....
Granby	85,000	59,363 77
St. Hyacinthe	206,000	156,000 00
Joliette	125,000	....
Lauzon	45,000	15,904 00
Automobile school, Montreal	80,000	....
Maisonneuve	200,000	....
Octave Cassegrain, Montreal	67,150	29,118 87
Rimouski	150,000	86,271 03
Rouyn	57,500	14,800 85
Sherbrooke	112,500	....
Sorel	140,000	1,500 00
Thetford Mines	110,000	42,714 44
Valleyfield	28,000	....
Montreal West	125,000	....
Total	$2,691,400	$ 793,328 50

SHIPMENT OF FOOD TO BRITAIN—GOVERNMENT BOARDS

Mr. CHARLTON:

1. What government boards are engaged in directing and/or sending Canadian food products to Britain?

2. What are the names and occupations of the members of the different boards?

Mr. McCUBBIN:

1. Dairy Products Board, Meat Board, Special Products Board.

2. Dairy Products Board—

J. F. Singleton, Associate Director of Marketing Service, Department of Agriculture, Ottawa (Chairman).

John Freeman, Exporter, Montreal, Quebec.

J. F. Desmarais, Producer, Iberville, Quebec.

Meat Board—

L. W. Pearsall, Associate Director, Marketing Service, Department of Agriculture, Ottawa (Chairman).

S. E. Todd, Managing Director, Industrial and Development Council of Canadian Meat Packers, Toronto, Ontario.

Dr. F. H. Auld, Retired Deputy Minister of Agriculture, Saskatchewan Government, Regina, Saskatchewan.

J. A. Proulx, Farmer and Employee of Canadian Farm Loan Board, Quebec, P.Q.

W. E. Tummon, Secretary, Ontario Hog Producers Marketing Board, Toronto, Ontario.

F. F. Baird, Marketing Service, Department of Agriculture, Ottawa, Ontario (Secretary-Manager).

Special Products Board—

A. M. Shaw, Director of Marketing Service, Department of Agriculture, Ottawa (Chairman).

R. S. Hamer, Director of Production Service, Department of Agriculture, Ottawa.

W. F. Bull, Director, Export Division, Department of Trade and Commerce, Ottawa.

R. W. Neely, Assistant to the Director of Marketing Service, Department of Agriculture, Ottawa (Secretary).

UNEMPLOYMENT INSURANCE FUND

Mr. HANSELL:

1. What disposition is made of the unemployment insurance fund?

2. Are these moneys deposited with the chartered banks?

3. Is any of this money invested and if so, what investments are involved?

4. Is any of this money used for any purpose other than benefits and administration of the act and if so, for what purposes?

[Mr. Cote (Verdun).]

Mr. COTE (Verdun):

1. The unemployment insurance fund is used for the payment of unemployment insurance benefits and any moneys in excess of the current requirements for that purpose are invested in dominion government securities.

2. Moneys received as contributions to the unemployment insurance fund are not deposited with the chartered banks. However, deposits of funds from the unemployment insurance fund are maintained in certain chartered banks throughout the country to redeem benefit warrants issued in the payment of unemployment insurance benefits and to facilitate the payment of these benefits by cash vouchers in certain designated offices.

3. All moneys in the unemployment insurance fund over and above the immediate requirements for the payment of unemployment insurance benefits are invested in securities of the government of Canada.

4. The wording of this question is actually not in accordance with the conditions in that no money is taken from the unemployment insurance fund to cover the cost of administering the act. The only purposes, other than for the payment of unemployment insurance benefits, for which these funds are used are to provide for the refunds of contributions made in error to the fund and to provide expenses in connection with the pledging of securities or advances to the fund as outlined in section 79 of the act.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SHIPMENT OF FOOD TO BRITAIN

Mr. CHARLTON:

1. What Canadian foodstuffs in the raw or processed state are under agreement of sale to Great Britain?

2. Are these foodstuffs shipped by private interests or by government boards?

3. If by boards, which foodstuff is shipped by each board?

4. What was the amount of the agreement for each product in each of the years for which the agreements were made?

5. What was the dollar value and quantity shipped of each product to Great Britain during each of the years for which agreements were made?

6. Are the proceeds obtained from Britain for these commodities collected by the boards?

7. If so, has any surplus of these proceeds accumulated in the hands of the boards?

8. How much for each commodity?

9. Will it be distributed among the producers?

MINERAL CLAIMS IN YUKON—SURVEYING

Mr. BLACK (Yukon):

1. Has the Minister of Mines and Resources authorized or instructed any official of his department, and if so, what official, to instruct the mining recorders in Yukon territory to notify the owners of recorded, unsurveyed mineral claims in Yukon territory that they must have said claims surveyed by a dominion land surveyor within one year from the date upon which such notification by the minister to do so may be sent to them?
2. How many recorded, unsurveyed mineral claims are there in Yukon territory?
3. How many dominion land surveyors are there residing and practising their profession in Yukon territory?
4. How many dominion land surveyors are there in Canada?
5. How many dominion land surveyors are available in Canada to survey said mineral claims within one year from the date of such notification by the minister?
6. During how many months in each year is it practical to survey mineral claims in Yukon territory?
7. How long does the minister expect it will take to have all of such mineral claims surveyed by the dominion land surveyors?
8. Have the same or similar instructions been sent to the mining recorders in the northwest territories?
9. If such surveys are not made, and if the returns of such surveys are not received and approved by the surveyor general within one year from the date of such notification, are the entries granted for such mineral claims subject to immediate cancellation in the discretion of the minister?

VETERANS LAND ACT—KOOTENAY WEST

Mr. HERRIDGE:

1. Under the Veterans Land Act, in the federal riding of Kootenay West, what has been the (a) number of loans made to veterans for the purchase of farms; (b) total amount of such loans for the purchase of farms; (c) number of loans to veterans for the purchase of small holdings; (d) total amount of such loans for the purchase of small holdings; (e) number of grants made to veterans settling on provincial land; (f) total amount of such grants made to veterans settled on provincial land?
2. What are the names of employees administering Veterans Land Act in Kootenay West in 1947, and what were the salaries, duties and expenses of each employee?
3. What amount was paid for rent of premises, and to whom, in 1947?

Mr. TUCKER: The records under the Veterans Land Act are not yet prepared by constituencies, and to give an answer to this question on that basis would require a tremendous amount of work. It is possible to give an answer for the sub-district of Vancouver which has its office in Nelson. I have spoken to the hon. member and he is satisfied to have the answer on that basis. Subject to that modification, the question might be passed as an order for a return.

YOUTH TRAINING PROGRAM

Mr. LAPOINTE:

1. Has the government made any contributions in the nature of scholarships, bursaries, prizes or similar payments out of appropriations for its youth training program or from any other source to or on behalf of students attending universities or other institutions of training in the province of Quebec?
2. If so, what amounts and to what persons or on behalf of what persons in each of the years 1945, 1946, 1947?
3. From which government appropriations were such payments made?

CIVIL SERVICE—TEMPORARY APPOINTMENTS

Mr. FULTON:

1. What is the total number of positions for which employment has been authorized or approved by the civil service commission on a temporary basis in each of the fiscal years, 1945, 1946, and 1947 to date?
2. What is the total of yearly salaries which would be paid in each full fiscal year as a result of these appointments?
3. How many of the appointments thus approved (a) have since been made permanent; (b) continued on a temporary basis; (c) discontinued and the service of the appointees dispensed with?

Mr. GIBSON (Hamilton West): Return tabled.

TRANSPORT OF FREIGHT CARS, TRUCKS AND AUTOMOBILES BETWEEN BORDEN AND TORMENTINE

Mr. MacNAUGHT:

1. By months, in 1945, 1946 and 1947, how many (a) freight cars; (b) trucks; (c) automobiles, were transported from (1) Borden, Prince Edward Island to Tormentine, New Brunswick; (2) Tormentine, New Brunswick to Borden, Prince Edward Island?
2. What was the nature of the contents of the freight cars?
3. What were the total charges, by months, during the above-mentioned years on (a) freight cars; (b) trucks; (c) automobiles?

Mr. CHEVRIER: Return tabled.

BAGOTVILLE, QUE., AIRPORT

Mr. GAGNON:

1. What was the cost of the Bagotville airport, in the county of Chicoutimi, Quebec, including buildings, landing fields, etc.?
2. Has this airport been declared surplus assets?
3. If so, has the government disposed of it?
4. To whom?
5. At what price?
6. Were tenders invited?
7. If so, what are the names of the tenderers, and the amount of each tender?

NATIONAL FILM BOARD—PHOTOGRAPHS

Mr. FRASER:

1. Does the national film board employ a special staff for the taking and making of stills, (photographs)?

2. If so, how many are so employed?
3. What are the names of these people so employed?
4. How many stills were made in the year 1947?
5. Were any of these stills sold in 1947?
6. If so, how many were sold and at what price per print were these stills sold?
7. What was the size of prints in each case and state if black and white or coloured?
8. What was the total receipt from sale of stills in 1947?
9. What is estimated cost of taking, processing material, time, travel and other expenses in taking these stills during 1947?

Mr. WINTERS: Return tabled.

WAR ASSETS—MOTION PICTURE EQUIPMENT

Mr. HANSELL:

1. Did the government purchase any motion picture equipment during the war years for the purpose of war services, entertainment, etc.?
2. If so, what was the total expenditure on this equipment?
3. Has this equipment been disposed of and through what channel?
4. Were any war service organizations given any financial assistance for the purchase of such equipment and if so, what organizations, and what were the amounts of assistance given to each?

GRANTS TO PROVINCES

Mr. HAMEL:

What amounts were paid in subsidies, grants or otherwise to each of the provincial governments during the years 1946-47 and 1947-48, by the government of Canada?

MOTIONS FOR PAPERS

ST. LAWRENCE RIVER NORTH SHORE TELEGRAPH LINE

Mr. DORION:

For a copy of all correspondence, telegrams and other documents exchanged between the Department of Public Works and any person or persons, during the last twelve months, regarding the telegraph line on the north shore of the St. Lawrence river.

Mr. FOURNIER (Hull): Return tabled.

APPOINTMENT OF JUDGE FOR DAUPHIN, MAN., JUDICIAL DISTRICT

Mr. ZAPLITNY:

For a copy of all correspondence, telegrams and other documents exchanged between the Department of Justice and any person or persons since January 1, 1947, regarding the appointment of a judge for the judicial district of Dauphin, Manitoba?

Mr. ILSLEY: Does the hon. gentleman wish to proceed with this? I wish he would allow it to stand. I do not think there are any letters at all except letters to the minister, and such letters have always been regarded as privileged in regard to judicial appointments. This appointment has already been made, and I thought the hon. member would drop the motion.

Mr. ZAPLITNY: If the minister is not prepared to decide whether the letters should be brought down, I would ask that the motion stand.

Mr. SPEAKER: Stand.

DEPARTMENT OF TRADE AND COMMERCE—APPOINTMENT OF DIRECTOR OF PURCHASES

Mr. FRASER:

For a copy of order in council under date of November 27, 1947, appointing W. D. Lowe to the position of director of purchases in the Department of Trade and Commerce.

Mr. McILRAITH: Return tabled.

REPORTS ON TRIBAL DESTROYERS

Mr. LENNARD:

For a copy of the reports on tribal destroyers submitted to the Department of National Defence in 1947 by the following officers: Lieutenant Timbrell, R.C.N.; Surgeon Lt. Robinson, R.C.N.; Rev. J. L. Graham, chaplain (P) R.C.N.

Mr. LAPOINTE: The motion calls for the production of reports made by three officers of the naval reserve after their service at sea. These reports are made by the officers concerned in the normal routine in the execution of their duties and are considered confidential. I have explained the situation to the hon. member and he has agreed to withdraw the motion.

Mr. SPEAKER: Dropped.

STRAIT OF CANSO BRIDGE OR CAUSEWAY

Mr. GILLIS:

For a copy of all correspondence, engineering reports, estimates of costs and other documents, from January 1, 1945 to date, related to the project, bridging or building a causeway over the straits of Canso, between Cape Breton island and the mainland of Nova Scotia.

SUPERANNUATED CIVIL SERVANTS—COST-OF-LIVING BONUS

Mr. KNOWLES:

For a copy of all correspondence, telegrams and memoranda exchanged between any organization representing superannuated federal civil servants and any cabinet minister or departmental official dated since January 1, 1947, with reference to a cost-of-living bonus or other supplement for retired federal civil servants.

SUSSEX MILITARY HOSPITAL

Mr. BROOKS:

For a copy of all correspondence, telegrams, orders in council, and other documents exchanged between the Department of Veterans

Affairs, Ottawa, and any officials of the Department of Veterans Affairs in the province of New Brunswick, or any other person or persons during the past two years, regarding the closing of Sussex Military Hospital, and accommodation of veterans in Lancaster Veterans hospital, Saint John, New Brunswick.

Mr. GREGG: I have no objection to the hon. member's motion, with the proviso that documents exchanged between the Department of Veterans Affairs, Ottawa, and officials of the Department of Veterans Affairs in the province of New Brunswick shall not be disclosed. I am prepared to have the motion passed on that basis. I have spoken to the hon. member.

HONG KONG—EVIDENCE TAKEN BEFORE DUFF COMMISSION

Mr. BRACKEN:

For a copy of the evidence taken before the Duff commission in connection with dispatching Canadian armed forces to Hong Kong.

Mr. MACKENZIE KING: I am informed that the evidence taken before the Duff commission in connection with dispatching Canadian armed forces to Hong Kong includes communications received through and from the British government, and that at the time they were received the United Kingdom made the information available only after the Canadian government had given an undertaking that it would not be published in any form even by the commissioner himself. The United Kingdom government has been asked whether it still objects to the publication of that information. We have not yet received a reply from the United Kingdom government. The government has been informed that we are anxious to receive a reply that I may inform the house of the exact position. I hope meanwhile the motion will be allowed to stand.

Mr. GRAYDON: May I make an observation in view of the Prime Minister's statement? I would suggest to the Prime Minister that this is allied in a sense to the letter, which is also under consideration, between the two governments. What I would like the Prime Minister to do, if he sees fit, is to give some indication to the British government that this government wants this evidence and this letter tabled. It is one thing to suggest to the British government that we do not care about it—

Some hon. MEMBERS: Order.

Mr. GRAYDON: —and it is another thing to indicate the desire of this government—

Some hon. MEMBERS: Order.

Mr. GRAYDON: Oh, well—

An hon. MEMBER: You are out of order.

Mr. SPEAKER: The hon. member knows he cannot make a speech on the motion.

Mr. GRAYDON: Mr. Speaker, am I to be denied the right to make some observations, in view of the Prime Minister's remarks? This is a most important and vital matter to people throughout Canada and I am not going to allow anyone over there to howl me down. I will allow you, sir,—

Some hon. MEMBERS: Order.

Some hon. MEMBERS: Sit down.

Mr. GRAYDON: Mr. Speaker, so long as—

Some hon. MEMBERS: Sit down.

Mr. GRAYDON: So long as this noise is going on over there I will stand where I am. I am not going to sit down while they shout over there.

Mr. SPEAKER: Order.

Mr. GRAYDON: I will sit down when you people keep quiet over there.

Mr. SPEAKER: I call the hon. member's attention to the fact that these motions are not debatable.

Mr. GRAYDON: Mr. Speaker, you allowed the Prime Minister to make an observation, and I was making one in return; I think I certainly ought to have that right. After all, if I may so suggest, Mr. Speaker, we ought to have this government say to the British government that they want these things tabled. It is not enough—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. The hon. member knows the rules very well and he knows that these motions are not debatable. I thought it was his intention merely to ask a question of the Prime Minister. I cannot permit him to make a statement.

Mr. GRAYDON: I shall not make a statement now, but I have a right—

Some hon. MEMBERS: Order.

Mr. GRAYDON: I have a right to call for a vote on this notice to produce.

Mr. SPEAKER: Motion No. 11 was called and the Prime Minister said "stand", so that the motion is not before the house.

Mr. GRAYDON: Certainly the motion is before the house. The Prime Minister cannot determine what is going to happen to a motion. The house has to determine what will happen to it, and I am going to ask that this be put to the vote of parliament, because

the British government ought to know at least that there are some people in this parliament who want this evidence tabled.

Some hon. MEMBERS: Oh, oh.

Mr. GRAYDON: On a point of order, Mr. Speaker, neither the Prime Minister nor anyone else in this house has a right to say whether a motion of this kind shall stand or not. It is for the house and for you to determine, Mr. Speaker, not the Prime Minister.

An hon. MEMBER: Appeal.

Mr. MACKENZIE KING: As a matter of fact, Mr. Speaker, all I asked was if the house would allow the motion to stand, because I had not been able as yet to obtain a reply from the British government as to whether they would remove the objection they had, for reasons of their own, to the tabling of the evidence. I do not know what their reasons are.

An hon. MEMBER: Wartime secrecy.

Mr. MACKENZIE KING: I am stating to the house the facts. The United Kingdom government gave certain evidence to the commission which the United Kingdom government asked that the commission itself should not make public. It was not this government that made that request. It was the government of the United Kingdom. They gave certain evidence to the commission and asked that the commissioner himself should not make it public. I maintain that particular evidence cannot be brought down until the British government themselves say whether they are agreeable that it shall be brought down, because it was given to the commission only on the understanding that it would not be made public. There are other things besides the Drew letter. As a matter of fact the Drew letter is not in the evidence.

Mr. GRAYDON: I did not suggest that it was.

Mr. MACKENZIE KING: This is entirely a matter for the British government. Certain parts of evidence they did not wish to have disclosed. I certainly do not think that this House of Commons would ask the British government to disclose information which they themselves gave to us on the condition that it would not be disclosed, unless the British government itself is willing to remove that condition.

Mr. GRAYDON: May I ask the Prime Minister if he has suggested to the British government that this government wants this information brought down and placed on the table of the house?

Mr. MACKENZIE KING: In the messages I have sent to the British government I said there has been a request for this information, that we wished to be in a position to table the information but before doing so we wished to know whether the government would remove the objection it had to its disclosure.

Mr. GRAYDON: May I ask the Prime Minister when it is expected there will be a return from the British government?

Mr. MACKENZIE KING: I wish I could answer my hon. friend's question but I cannot. I have sent a couple of cables. Within the last few days the Canadian high commissioner has been here from London. Since he has been here I have asked him if he would again communicate with the British government and say that we were anxious to receive a reply. He has done that, but thus far the reply has not come.

Mr. ROWE: In view of the fact that Colonel Drew's letter—

Some hon. MEMBERS: Sit down.

Mr. SPEAKER: Order.

Mr. ROWE: I am not going to sit down until there is order on the other side.

Some hon. MEMBERS: Oh, oh.

Mr. ROWE: I have just as much respect for you as any other hon. member, Mr. Speaker, but until those on the other side stop yelling I will not sit down.

Mr. SPEAKER: Order. I would ask the hon. member to resume his seat.

ST. MAURICE RIVER—FLOATING OF TIMBER

Mr. HAMEL:

For a copy of all contracts, agreements or leases concluded between the government of Canada, or any board or agency thereof, and the St. Maurice River Boom and Driving Company, from 1900 to date, with regard to the floating of timber on the St. Maurice river, in the province of Quebec.

CONSTRUCTION OF HOUSES—INFORMATION FURNISHED TO MAYORS OF MUNICIPALITIES

Mr. HAMEL:

For a copy, in English and in French, of the information sent by the government of Canada, or any department, board or corporation thereof, on October 10, 1947, to the mayors of municipalities with a population of 5,000 or more, regarding the construction of houses.

VETERANS AFFAIRS

PENSION ACT AMENDMENT—QUESTION OF REFERENCE TO SPECIAL COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Might I give a reply to the hon. member for Vancouver South (Mr. Green) to a question he asked me on Monday, to which I said I would give him a reply a little later on. The question was whether it was the intention of the government to send to the special committee on veterans affairs the bill to amend the Pension Act. On consideration, the government feels that a decision on this point should be postponed until the bill has been introduced and has received second reading. The government is as anxious as other hon. members to get this legislation through all stages as quickly as possible, so that there will be no undue delay in making the retroactive payments to pensioners. It may well be that once the bill has received second reading, it will be the general feeling of the house that the interests of all would best be served by considering the bill in committee of the whole. In any event, the decision will be left until that stage is reached.

HOUSING

INQUIRY AS TO ULTIMATUM GIVEN TO VETERANS AT VILLE ST. LAURENT

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I wish to reply to a question asked at the last sitting by the hon. member for Kamloops (Mr. Fulton). It concerns veterans occupying some four hundred housing units in Ville St. Laurent in Montreal. I might point out that this is not a veterans project. It was built during the war to house munitions workers, and if there are any veterans in the project they have moved in to occupy the vacancies which have occurred since the war.

Mr. FULTON: There is a large number of them there now.

Mr. HOWE: The number is not very large. I have the number. There are not many.

On June 13 last an agreement was reached with the municipal officials concerned that the four hundred wartime housing units situated partly in Montreal and partly in Ville St. Laurent, and known as the Cartierville project, would be made available for sale to tenants. Prices ranging from $2,900 to $3,725, depending upon the size of the housing unit, were then established by the corporation. These prices include the cost of permanent concrete foundations which will be installed after sale.

The terms of sale are adjusted so that the monthly purchase instalment approximates the monthly rental that he has been paying. To date, sixty-two sales to tenants have been made or are in the process of completion.

It has been suggested that tenants have been told that unless they buy the houses they will be forced to vacate. This is not quite the case. If the tenant is unwilling to purchase the house, he may remain as a tenant, either in that particular house or in another house in the same project. In some cases, individuals in the project are anxious to buy certain houses, and exchanges are effected to look after the wishes of the purchaser by offering comparable accommodation to the tenant.

A committee of the tenants of the Cartierville project is today meeting with officials of Central Mortgage and Housing Corporation in Montreal.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Friday, February 13, consideration of the motion of Mr. J. A. Dion for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Bracken, and the amendment to the amendment of Mr. Coldwell.

Mr. P. E. WRIGHT (Melfort): When the house adjourned on Friday last I was dealing with the position in which agriculture found itself in Canada today, and I may say it is a precarious one. There is a constant rise in the cost of production of agricultural products, and most of the major agricultural products are under what amount to price ceilings; therefore agriculture's share of the net income is being reduced. The Minister of Agriculture (Mr. Gardiner) has noted this and has stated that the protection which agriculture has is under the Agricultural Prices Support Act. As a matter of fact in a previous debate he said, as reported at page 807 of *Hansard* of the present session:

> The policy which protects the consumer is sound because we have said in the prices support legislation that if the time ever comes when the bottom falls out of prices we will tax every taxpayer in this country to help to the extent provided in the Agricultural Prices Support Act, that is $200 million, to maintain the price levels.

I was pointing out that in my opinion, under the Agricultural Prices Support Act as it exists at the present time that protection is not there. I have a copy of the act before me. It states that it is an act for the support of the prices of agricultural products during the

transition from war to peace. No one knows just when that period may end. In all probability the greatest drop in agricultural prices will come at a time when that transition period is over.

Section 9 of the act, which is the operative section, states:

> In prescribing prices under paragraphs (a) and (c) of subsection 1 of this section, the board shall endeavour to ensure adequate and stable returns for agriculture by promoting orderly adjustment from war to peace conditions and shall endeavour to secure a fair relationship between the returns from agriculture and those from other occupations.

The whole thing is based on the assumption that agricultural prices will be supported during the transitional period. Further, in the act there is nothing to say how the government will determine what the proper floor prices of agricultural prices should be. I draw the attention of the house to the fact that this bill was introduced in 1944 at a session immediately preceding an election. In my opinion it was mainly a bill brought in by the government with the idea of fighting an election.

The bill is in very general terms. There is nothing in it to indicate what fair prices may be, or how they will be determined. Before the bill was introduced the minister stated that three factors would be taken into consideration in determining these prices. First, he said, there was the fact that agriculture had come through a long period in the thirties during which time it had suffered terrific losses. Secondly he said that agricultural prices fixed in the fall of 1941 were below the cost of production, and that agriculture had taken a loss during the first two years of the war. Then he said that consideration would be given to the cost of production. If those three considerations were taken into account, certainly we would have fair floor prices under agricultural products.

Under this act, however, a board was set up to find out for the government what those prices should be. The chairman of that board has made certain statements with regard to floor prices. If the statements appearing in the press are correct, his interpretation of the factors to be taken into consideration in determining floor prices is entirely different from that of the Minister of Agriculture. As a matter of fact if his statement as reported in the press is correct, one of the major considerations in his opinion was that no floor price should be fixed at a level which would encourage production of that commodity, or that floor prices must be fixed at a level which would discourage production of a particular product. If that is to be the factor which is to determine floor prices, then I cannot see that this act is much of a guarantee so far as agriculture is concerned. So far as I know, it has been used only in one instance, and that was in connection with fixing a floor price for potatoes in the fall of 1946. The floor price set at that time was at a level which indicated that the method suggested by the chairman of the board was used to establish the price, rather than the method suggested by the Minister of Agriculture.

I suggest therefore that at this session one of the things we should do is to amend the Agricultural Prices Support Act. We should place in the act some formula which would determine the manner in which floor prices under agricultural products shall be determined.

In the United States in fixing their floor prices they use a formula. We in Canada have no formula; it simply is a matter for the government or the board to determine. If the same thing should happen in the Department of Agriculture as we understand has happened in the Department of Finance, then we might have a condition similar to that which arose in connection with price controls. We had a minister of finance who believed in price control and who built up an orderly decontrol policy. But when the time came to operate that decontrol policy, certain influences within the government or throughout the country were able to see that we had a new minister of finance who had not the same ideas with regard to decontrol in Canada. The result was that instead of orderly decontrol we got disorderly decontrol. At the very time we needed floor prices under agricultural products, the present Minister of Agriculture might be the Secretary of State for External Affairs, and we might have an entirely different point of view in the Department of Agriculture as to what should be the determining factors in setting floor prices under agricultural products.

I suggest that if agriculture is to operate with any degree of certainty, or if it is to go ahead and produce with some degree of security, certainly we should have in the act a provision such as I have suggested. We should have a definite formula which would be used in determining floor prices.

More than that, I do not think that this act can operate successfully in Canada until we have commodity marketing boards handling the major agricultural products. It would be very difficult to place floor prices under agricultural products, and to operate a floor prices policy successfully until agriculture itself is

properly organized to assist the government in that legislation. And until we have agriculture organized on that basis I think it is going to be very difficult for the government to implement the Agricultural Prices Support Act. That is why we in this group have urged that we should have in Canada a dominion natural products marketing act under which agricultural products could be marketed. This group has urged on numerous occasions that that be done. In fact one of the first speeches I made in the house was to that effect. We should have a measure of that kind under which we could have cohesion among the different agricultural products marketing acts in the provinces. In that way the Agricultural Prices Support Act could be much more effective. The government has never seen fit to introduce any such measure, although it has been sought by all the major agricultural organizations.

I think the Minister of Agriculture is beginning to view the matter somewhat more sympathetically than he has in the past. I should hope that, at this session, either the present Agricultural Products Marketing Act might be amended so as to make it much broader in application, or a new act might be brought in which would enable agriculture to become more fully organized in the marketing of its various products. The present Agricultural Products Marketing Act is being carried on as an emergency measure and only by renewal from time to time. At the present time it is effective only until March 31 of this year. At that time we will have to renew it if we wish to carry it on for another year. That is not a very satisfactory situation. It is not satisfactory legislation to be used as a basis for our long-term contracts with Great Britain. Surely an act which we have to extend from month to month or from year to year is not sufficient for that purpose. We should have a natural products marketing act as a permanent measure on our statute book, under which our whole marketing system could be built up on a permanent basis. Until that is done agriculture is not going to be in a favourable position.

I should like now to deal briefly with the matter of coarse grains. I am not going to go over the whole story of the decontrol of coarse grain prices, the raising of the ceilings, or the placing of coarse grains on the Winnipeg grain exchange at a certain time. I do wish to point out however that the minister has said at various times in the house that our whole agricultural program in Canada, as applied to dairy and livestock products, is based on our ability to produce coarse grains. He has said that if we do not produce those necessary feeds our dairy and livestock production will go down. The minister is perfectly right when he says that. The whole basis of our dairy and livestock production rests on our ability to produce in Canada the necessary feeds. May I set out the position as it is today? We have today under our British contract for 1948 a guaranteed wheat price of $2 a bushel. The other day the Minister of Trade and Commerce (Mr. Howe) announced a guaranteed price of six cents a pound for rapeseed. Last year we had a guaranteed price of $5 a bushel for flax, with an additional 50 cents, bringing the total up to $5.50. We do not know whether that is to be continued for another year, but if one may judge by the guaranteed price on rapeseed, the price will be about that on flax.

On the other hand coarse grains are on the Winnipeg grain exchange and the prices fluctuate from day to day. I would ask the Minister of Agriculture to consider this question: Does he expect that western farmers will sow coarse grains when they have a guaranteed price for their wheat, flax, rape seed and other grains? The western farmer, I say, is more likely to sow those crops on which he knows the prices than to sow crops of the future prices of which he has no knowledge. One of the things that must be done at this session is to take coarse grains out of the speculative market and place them under the wheat board—and it is indicated in a resolution that that may take place. If they are placed under the wheat board, at the same time they should be taken out of the speculative market and fair prices established in relation to the prices of other grains produced in western Canada. Unless this is done we will not have the production of coarse grains that is necessary to give us the required quantity of dairy produce and meats. It is impossible to bring about the necessary increase in production in any other way.

This means that we have to take coarse grains off the Winnipeg grain exchange. Some time ago the hon. member for Calgary West (Mr. Smith) made his annual speech in the house in support of the Winnipeg grain exchange. I disagreed with the hon. member, as I believe did many other hon. members. He offered some good arguments, but in my opinion he also offered some very poor ones. He admitted there were only three groups of people who needed the Winnipeg grain exchange legitimately in their business—that is, in their business as it is being carried on

under our present system. Those were the farmers, the grain handling firms, and the millers. He also admitted these people could not use the Winnipeg grain exchange unless there was a speculator there to buy their hedges, and admitted that if the speculator went off that market the market would of necessity collapse.

I do not think that in Canada three of our major groups—farmers, millers and grain handling firms should be at the mercy of a bunch of speculators on the Winnipeg grain exchange. Surely we can devise intelligently some other means of handling our grain. But he made much of the argument that the co-operative organizations of western Canada, which handled more than fifty per cent of our western grain, use the Winnipeg grain exchange and have been using it for years. He said that they have seats on the exchange, and have their men on the floor. That is perfectly true.

Co-operatives in western Canada, operating under our present system, must of necessity use the Winnipeg grain exchange, either themselves or through the medium of a commission firm. It is much more intelligent for them to use their own people on the exchange than to have commission firms doing their business for them. But the hon. member for Calgary West did not say that the men who have headed those organizations for twenty-five years, who came up through farm organizations—first through their local pool committees, then as delegates and then as directors—were unanimous in saying that to use the Winnipeg grain exchange was not the best manner in which to handle our western grain.

I like the hon. member for Calgary West. He admitted that his only experience with the Winnipeg grain exchange was when a few years ago he took a flier on the exchange and lost a couple of thousand dollars. Yet the hon. member advised the house that we should continue the Winnipeg grain exchange. I would rather take the advice of the directors of our pools who have had twenty-five years' experience, who have bought and sold many millions of bushels on the exchange, and who are satisfied that it is not necessary for the successful marketing of our western grain. I say we should close the Winnipeg grain exchange, and that our grain should be marketed through the wheat board. If our coarse grains are to be marketed through some organization, then that organization should be either the wheat board or some other board set up by the government to do for coarse grains what the wheat board is doing for wheat.

[Mr. Wright.]

I should deal for a few moments with the question of seed grains. I am receiving letters from the west stating that there is a shortage of seed grain in western Canada—I am referring to registered and certified seed. There was more confusion last November in western Canada in connection with seed grains than there was over the matter of coarse grains—at least that was the condition in the part of the west in which I live, where we produce perhaps the greatest amount of seed grain.

We had been exporting our seed grain during 1946 under quota permits. In November the method of exporting under quota permits was changed to a blanket quota system whereby our exports of seed grain were increased tremendously. Some time in August we found in western Canada that the seed grain handling firms out there were sending men through the province in an effort to get contracts with farmers who were growing certified and registered seed. Apparently these men who were sent out had a list of names of all the certified and registered seed producers in western Canada. The result was that a tremendous amount of seed grain in western Canada was signed up under contracts at a price of approximately $2 a bushel. The farmers did not know at that time that the wheat contract price for 1948 was going to be $2 a bushel. They did not have the information the government had that there was going to be a tremendous demand from Europe for seed grain, a demand which was out of all proportion to demands in other years. For instance, I believe Switzerland placed an order in Canada for 10,000 metric tons of seed wheat, something that was unheard of formerly because Switzerland normally sows fall wheat. But because of conditions over there, they found that their fall wheat crop was a failure and that this year they were going to have to sow spring wheat, with the result that they placed orders in Canada.

I do not know whether these seed firms had prior information on this matter, but I do know it was mighty strange that these people proceeded to divide up western Canada and went out to get contracts from the farmers. As I said, they succeeded in getting contracts for hundreds of thousands of bushels of our certified seed wheat at about $2 a bushel.

Mr. HOWE: Was that seed grain exported outside the wheat board?

Mr. WRIGHT: Outside the wheat pool?

Mr. HOWE: Outside the wheat board.

Mr. WRIGHT: Yes, absolutely outside the wheat board. The wheat board do not handle seed grain.

Mr. HOWE: Then an export permit would be required, would it not?

Mr. WRIGHT: As I said, the wheat board do not handle permits on exports of seed grain, as I understand. This permit system was changed on November 10, if my information is correct.

Mr. HOWE: I would be very much surprised if export permits for seed grain are issued without the advice of the wheat board. That was the reason for my question. I intend to look into the matter in the department.

Mr. WRIGHT: I thank the minister for that. I certainly think it needs looking into. These firms signed up thousands of acres of this grain, some of it before it was cut and some afterwards, at $2 a bushel. Then the quotas were changed, and immediately these same farmers began to get letters from other firms offering as much as $3.65 a bushel for their seed grain. I think the government made a serious mistake. They should have notified the farmers of western Canada through the press that they were going to change the quota system and that there was a demand for seed grain. But apparently certain groups of people had this information long before the farmers, and made a nice profit out of it.

Mr. GARDINER: I do not want that statement to go out unchallenged. As a matter of fact, there was no discussion with anybody as to what the prices would be for 1948 until weeks after the date mentioned by the hon. member. Discussions did take place after I went to Britain at a much later date than that.

Mr. WRIGHT: What date was that?

Mr. GARDINER: Toward October.

Mr. WRIGHT: Then these people were doing a lot of good guessing, and from the information I have they held meetings at which they discussed the matter.

Mr. GARDINER: They were listening to the grain exchange and not to the Department of Agriculture.

Mr. WRIGHT: For once they made some money, if that was the case, but the farmers of western Canada lost thousands of dollars on their seed grain. This seed grain is now going into the export market and there is not enough certified and registered seed grain to supply our own western market. I suggest that the government made a mistake in allowing that to take place. There is certainly room for an investigation of what took place with respect to seed grain in western Canada this year.

I said at the beginning that the farmers were alarmed at the rising costs of production. Today three things largely determine the cost of production of agricultural products. These are farm machinery, gas and oil, and fertilizer. They are the three largest items that enter into our cost of production.

We have had a lot of talk about prices of farm machinery. A committee of this house inquired into farm machinery prices in 1937. I have here the evidence taken and the committee's recommendations and I may say that this is why we were suspicious of the effectiveness of the present committee inquiring into prices. We wonder if we shall not get the same results that we got from the farm machinery inquiry. That committee did at least make recommendations; the present prices committee cannot even go that far. I wish to quote a few of the recommendations of the committee on farm implement prices:

(4) That the companies engaged in the industry, over the period of their operations as a whole, have made substantial profits on the capital invested in each company.

(11) That freight rate increases have contributed to the increase in the price of farm implements.

(12) That the matter of freight rates is of vital importance to the provinces more distant from the manufacturing centres and this is emphasized by the fact that the three prairie provinces absorb at least two-thirds of all farm implements sold in Canada.

Certainly no action has been taken on that last recommendation. Indeed, the indications are that there may be another increase in freight rates, and there has been no indication from the government that if a freight rate increase is granted to the railways it will not apply to farm implements. Other recommendations of that committee were:

(16) That it is the opinion of the committee that the cost of cream separators to the consumers should be reduced and with that end in view recommends that this item be placed on the free list.

Cream separators were placed on the free list and the price went up. Another recommendation was:

(17) That reduction in the tariff should and does, in the long run, tend to lower the price level to the farmer, depending on the extent of free price competition in the industry.

I call to the attention of the house that last statement, "depending on the extent of free price competition in the industry". We have no tariff on farm implements now; yet prices have constantly risen ever since that time.

(19) That the provisions of the Customs Act and the Customs Tariff Act affecting the importation of farm implements should be clarified and simplified.

That is just as necessary today as it was then. The present customs tariff schedule on

farm implements is antiquated. You can bring in an old cradle for cradling grain, but some of our newer implements in agriculture still have to pay duty. I had an experience of that last fall going home from the session. I went through the United States and bought for $108 a small gasoline engine such as is used on almost every farm. When I came to the customs officer at the border I went in to clear what I had. I thought I could bring in $100 worth of goods free anyway, and I told them I had a small gasoline motor. The customs officer asked, "Is it to be used in a pleasure boat?" Very foolishly I said, "No, I am going to use it on the farm". He said that if I had not mentioned that it was for use on the farm but in a pleasure boat it would have come in free. As it was, I had to pay a tax of 25 per cent plus 8 per cent sales tax, and it cost me $42 to get it across the border. Our tariff schedules certainly need revision.

Other recommendations of the committee were:

(21) That these regulations have resulted directly and indirectly in the retention in the United States of profits arising out of the operations in Canada of certain United States companies and that these profits have been subjected to income tax in the United States instead of in Canada.

I suggest that the Minister of Trade and Commerce look into that matter.

(24) That the companies should encourage the further standardization of replacement parts in the same implements manufactured by different companies and in addition standardization of the implements themselves.

Nothing has been done with respect to standardization. If anything, the position is worse today than it was then.

(28) That the profit to the farm implement companies on the sale of replacement parts is excessive and the price of these to the consumer should be materially reduced.

As a matter of fact, their profits have increased instead of being reduced:

(30) That over the period 1891 to 1936 retail prices of farm implements have been maintained at too high a level as shown by the financial returns to the companies engaged in the industry, during that period.

There is conclusive evidence that there was need for action then; yet no action was taken at all. At that time we had a Liberal government in the province of Saskatchewan which realized that no action was being taken; so the legislature set up a special committee to inquire into farm implement prices, and that committee in due course tabled its report in the legislature. I quote from this report:

Early in 1936, the companies announced an increase of price in farm implements amounting to 4·4 per cent as found by the Ottawa committee. It was this particular increase announced after a substantial reduction in the tariff from 25 per cent to 12½ per cent that gave rise to the Ottawa inquiry. Despite a further reduction in the tariff to 7½ per cent and despite the findings of the Ottawa committee that this increase was not justified, that the prices of farm implements had been, over the years 1913-1936, too high, despite, too, a definite finding that there was an excessive mark up over cost on cream separators and repair parts and that the prices of these should be particularly and substantially reduced, this committee finds that none of these findings were given effect to and that in addition further price increases occurred in 1937.

Later in the report the committee made recommendations, and I draw recommendation No. 2 to the minister's attention:

That the provisions of the Combines Investigation Act of the dominion appear to have been violated by the major companies in the industry and consideration should be given to instituting proceedings under the said act.

What action has been taken? So far as I know, no action whatever has been taken. After a committee was set up here and in Saskatchewan, and after recommendations were made, together with the statements that appear in the report that they believed there was a—

Mr. GARDINER: May I ask a question? The hon. member says that no action whatever was taken. Does he not know that the three provincial governments in western Canada did take action?

Mr. WRIGHT: Certainly they took some action to endeavour to get the co-operative handling of implements established in western Canada, but so far as this government is concerned, so far as investigation with regard to combines, with regard to tariffs and with regard to freight rates are concerned, over which the provincial governments have no control at all, no action has been taken. I am speaking in this House of Commons and asking for some action here and not in the provinces.

Mr. GARDINER: If my hon. friend studies the whole report he will find that the same kind of action was recommended here.

Mr. WRIGHT: Recommended!

Mr. GARDINER: I do not know whether he did as I did myself, but I bought shares in that particular company.

Mr. COLDWELL: So did I.

Mr. GARDINER: I think most hon. members over there did, and I think we are asking questions now as to whether or not they have done something.

Mr. WRIGHT: I am pointing out that this government has not done anything. Individuals have done something. We are trying to do something in western Canada for ourselves, but we are not getting much support here. What I am asking for is support here.

Mr. GARDINER: This government did the one thing it could do. It took all the duties off farm implements.

Mr. WRIGHT: After taking off the duties, the government did not see that the benefit went to the farmers and not to the companies. That is where the trouble has come in.

Mr. GARDINER: We took them all off, whether it benefited the farmer or the companies.

Mr. WRIGHT: That did not solve the problem, because prices kept on going up. Prices of farm implements are going up all the time. They went up 12½ per cent when the government—

Mr. GARDINER: So has wheat and everything else. It has been going up all the time until lately.

Mr. WRIGHT: We have a pretty close ceiling on wheat and a lot of other agricultural products. That is what we are objecting to. Other prices are going up. I hold in my hand a copy of the *U.F.C. Information*. In this issue one of the directors of the organization gives an indication of what is happening today.

Mr. GARDINER: Just to keep the record straight, there never has been a ceiling on wheat at any time.

Mr. WRIGHT: Well, I am not going into an argument with the minister on that. We have all heard the price of wheat discussed in this house.

Mr. GARDINER: Discuss the facts. There never has been.

Mr. WRIGHT: Hon. members know what the situation is. There is a pretty effective ceiling on farm products at the present time, as far as the farmer is concerned.

The ACTING SPEAKER (Mr. Golding): I must remind the hon. member that he has exhausted his time.

Mr. WRIGHT: If I am permitted to conclude this argument I shall take my seat, although I have several other things that I wish to deal with. As I said, the price of farm machinery went up 12½ per cent a year ago. Here is a report which shows that the price of—

Mr. TUCKER: May I ask the hon. member a question? He has coupled in with the taking off of the tariff on farm implements the price of farm implements today. I have heard that argument made by people before. I should like to ask the hon. member if he is against the removal of the tariff on farm implements and if he believes the rise in price was due to the removal of the tariff on those implements? By coupling them together, he must intend to imply that one had something to do with the other.

Mr. WRIGHT: The hon. member is just trying to draw a red herring across the trail. He knows the position of this group with respect to tariffs.

Mr. TUCKER: Why does the hon. member not answer?

Mr. ARGUE: Why does the hon. member not make a speech on coarse grains?

Mr. WRIGHT: He knows the position of this group with respect to these matters.

Mr. TUCKER: Why does the hon. member not answer the question?

Mr. ARGUE: Make a speech on barley?

Mr. WRIGHT: The hon. member has been making a lot of speeches in western Canada, but I doubt that they will have much effect.

Mr. TUCKER: Some of you people will not be back in the next house.

Mr. GRAYDON: I pity the western farmers.

Mr. WRIGHT: If I may continue I shall put on the record the most recent increase in the cost of farm implements. I have a list here compiled by a director of the U.F.C. in Saskatchewan, which shows that the price of a Cockshutt 80 tractor complete rose—

Mr. ROSS (Souris): Prior to November 1 and since.

Mr. WRIGHT: Yes. This list shows that a Cockshutt 80 tractor complete was worth today in western Canada at the local dealer $2,258. Two or three months ago it was worth $1,703.90; a Cockshutt 6-foot tiller, 11 blades, on rubber $605, a year ago $545; a Cockshutt 12-foot self-propelled combine, $3,843 today, formerly $3,458.85; Massey-Harris 10-foot self-propelled combine, less cleaner, $3,328.75 today, formerly $2,739. I am not going down the whole list. The makes are all here including the John Deere. I quote the following from the report:

> The above figures show an average increase of 15·1 per cent on those particular implements over the price prior to early November of last year.

That is another increase of 15.1 per cent in the cost of farm machinery. Under present conditions that is unreasonable. I have evidence in my hand showing that the profits made by these companies have been increasing every year. The same thing applies to fertilizer. I do not need to go into the price of fertilizer. The price has increased to such an extent that the government has admitted it was unjustified. The government has said that the price should be reduced.

The ACTING SPEAKER (Mr. Golding): Order.

Mr. WRIGHT: The government has not done anything to solve the problem. It has not done anything to see that the companies' wings are trimmed so that they cannot do the same thing again.

The ACTING SPEAKER (Mr. Golding): Order. I must remind the hon. member that his time has expired.

Mr. GRAYDON: He was interrupted.

The ACTING SPEAKER (Mr. Golding): Order. If the hon. member has the permission of the house he may proceed.

Some hon. MEMBERS: Go ahead.

Mr. WRIGHT: I would suggest five things that the government should do at this session. First, we should pass a dominion natural products marketing act, correlating the agricultural products marketing acts of the provinces to give agriculture an opportunity to organize itself to solve its own problems. That is all the farmers want. They do not ask the government to solve their problems for them. They want the proper legislation under which they can work to solve their own problems.

Second, we should amend the Agricultural Prices Support Act, and place in the act some formula for the determination of fair prices for agricultural products in Canada, so that the farmers will know that they are not dependent on the minister or the government. They will know that there is a definite formula which will establish these prices.

Third, I suggest that coarse grains should be placed under either some section of the wheat board or other board, and that the price should be fixed in relation to other grains, so that we can ensure the production of these grains that is necessary to give us the dairy and meat production which we should have in Canada.

Fourth, we should investigate methods of fixing prices. I do not say it is a monopoly, but there is certainly an agreement in the fixing of prices of agricultural machinery in this country. There is an agreement in the fixing of fertilizer prices, and there is an agreement in the fixing of the price of gas and oil.

Mr. TUCKER: Is the Co-operative Machinery Company a party to that price fixing agreement?

Mr. WRIGHT: Certainly they are not a party to it. I am suggesting that these things should be investigated so that in Canada we should know whether we are getting a square deal in these things. I know that these combines are international, but we have not even made an attempt in Canada to solve some of these problems. As a matter of fact, when they started to make an investigation in the United States and they found that they wanted information from Canada, I would say to some of our people from Ontario that they have apparently tried to do their best to stop them getting the information.

Fifth, I think the board of livestock commissioners should regulate the livestock industry in this country.

If these five things were done, I am sure agriculture would feel safer than it does at the present time.

Hon. J. A. GLEN (Minister of Mines and Resources): I had not intended to take part in the debate, but one hon. member has referred to a matter relating to the administration of my department which I cannot allow to remain unanswered.

I have always had the highest regard for the member for Calgary East (Mr. Harkness), but his action on Friday last in attempting to sully the record of a member of the department who next May will have completed thirty-five years of service is certainly not in keeping with the standards I had set for him. The hon. member knows, as all hon. members know, that statements carelessly made in the house or elsewhere, once given publicity, can never be fully retracted. The story spreads, becomes exaggerated, and the real facts never become fully known.

Notwithstanding the hon. member's reputation for fairness, he prefaced his remarks by stating:

> I have received information which I hope is not correct.

Then he proceeded to make statements which were wholly incorrect and the truth of which he could very easily have checked. The hon. member has always had free access to my own office or to any office in the department. I am sure he enjoys the same freedom of access to the civil service commission.

Mr. HARKNESS: On a question of privilege, the minister has just attacked my fairness in the remarks I made on Friday last in regard to a certain appointment in the Indian affairs branch. He has put my remarks on the basis of attacking a civil servant of thirty-five years' experience. I did not attack any civil servant in those remarks. I had no idea of attacking any civil servant; I made my remarks on a different basis altogether, the basis of improving the personnel of the administration in the Indian affairs branch, in which I have long been interested. The minister, I submit, has totally misread and misunderstood the remarks I made. I should like to read the remarks I actually made at that time.

Some hon. MEMBERS: Order.

Mr. HARKNESS: To keep the record straight, I should like to read what I said at that time.

Mr. GLEN: I will read what the hon. member said.

Mr. HARKNESS: Oh, no. I will read it.

The ACTING SPEAKER (Mr. Golding): Order. It is not in order to interrupt any member who has the floor unless he consents to answer questions.

Some hon. MEMBERS: Privilege.

The ACTING SPEAKER (Mr. Golding): Just a moment. It is in order, if the hon. member is rising to a question of privilege, for him to state his privilege.

An hon. MEMBER: He did.

Mr. HARKNESS: I have stated the privilege. This is what I actually said—

Mr. GLEN: Order.

Mr. HARKNESS: Mr. Speaker, I am speaking to a question of privilege, and I submit that I have a right to put on the record the actual words I used, which will be found in *Hansard* of February 13 at page 1198.

Mr. GLEN: The hon. gentleman has not yet stated any question of privilege. He is endeavouring to make a second argument on what he has already stated in the house and that is not a question of privilege.

The ACTING SPEAKER (Mr. Golding): Up to now the hon. member has not stated the q'estion of privilege.

Mr. HARKNESS: Mr. Speaker, my question of privilege is that the minister has totally misrepresented and misinterpreted what I said in the house on Friday last, to which he was referring and stating that I was very unfair. This is what I said:

> I know the private secretary. I have a very high regard for him and nothing in the world against him. But I think a job of this kind, particularly in the Indian affairs branch, should be given to a man who has acquired, over years in the department, the experience which is necessary in order to carry on the work.

I submit that I made no attack on the minister's private secretary or on any other civil servant.

Mr. GLEN: Mr. Speaker, I think the hon. gentleman was entirely out of order in his statement. May I read only one sentence on page 1198:

> They have also changed the qualifications, and I understand the general idea abroad is that all these changes have been made for the purpose of securing the appointment of the minister's private secretary.

If that is not a charge against the integrity of my private secretary I do not know what it is.

Mr. ROWE: It is against the minister and the government.

Mr. GLEN: I do not know what purpose he had in making this statement; but he has certainly accomplished his purpose, because it is now in the papers all over Canada, and I think the time has come, not too soon, when that damage should be repaired and the record set straight in regard to my private secretary. I think the hon. gentleman could have obtained, without any difficulty, the facts which I am now about to place before the house.

In 1936, when the Indian affairs branch was set up, it was thought wise to establish the position of general superintendent of Indian agencies, and Mr. Christianson, who at that time held the position of inspector of Indian agencies in Alberta—not Saskatchewan, as the hon. gentleman stated—was appointed to it. After several years' experience it was found that the duties intended for the position were too wide and overlapped the work of the heads of the other divisions. Mr. Christianson was therefore transferred to Regina, and until his retirement carried out the duties of inspector in the province of Saskatchewan. When the position he occupied became vacant the duties were changed to make them more workable and to fill the need for a senior officer in the head office of the branch to relieve the director of a great deal of detail work which was becoming increasingly burdensome. The civil service commission agreed with the new statement of duties and authorized the holding of a

promotional competition among all the male members of the department throughout Canada. I should like hon. members to note that.

No attempt was made to restrict the competition, and the date fixed for the filing of applications closed in the summer of 1945. The commission, in accordance with the usual procedure, asked the department to rate the candidates, fifteen applications having been received. A rating board was set up, composed of the director of the branch, the secretary, and the chief executive assistant of the department.

The candidates were rated; the ratings were reviewed and concurred in by the then deputy minister of the department, Doctor Camsell, and then forwarded to the commission. Mr. Pratt was given the highest rating.

Mr. HARKNESS: Would the minister permit a question?

Some hon. MEMBERS: Order.

Mr. HARKNESS: I am asking a question of the minister.

Mr. GLEN: I am making a statement now.

Mr. HARKNESS: Will you not permit a question?

Mr. GLEN: No, not now. I am giving the history of this matter.

An hon. MEMBER: It is a one-way lane.

The ACTING SPEAKER (Mr. Golding): I hope the hon. member will withdraw that remark. The rule is clear that the member who has the floor must not be interrupted unless he cares to answer a question. I am trying to be fair and I hope the hon. member does not mean to imply that I am not being fair in this matter.

Mr. GLEN: I am giving the history of these proceedings and I think I am entitled to make that statement without interruption. The candidates were rated; the ratings were reviewed and concurred in by the then deputy minister of the department, Doctor Camsell, and then forwarded to the commission. Mr. Pratt was given the highest rating. Mr. Randle, on whose behalf I presume the hon. member was speaking, was rated eighth in the competition. In his remarks, page 1198 of *Hansard*, the hon. member stated that the selection board twice recommended Mr. Randle for the appointment. This statement is wholly incorrect.

The civil service commission, which has the final say in promotional competitions, accepted the ratings of the rating board and notified the department of Mr. Pratt's selection for the position, subject to an appeal being entered by any of the candidates. Of the fifteen who entered the competition, Mr. Randle was the only one who entered an appeal. In accordance with the procedure established by the commission, a review board was set up and certain evidence was heard. In dealing with Mr. Randle's appeal, the board made the following recommendation:

> It is also recommended that Mr. Randle's appeal be denied as the board is satisfied from the evidence obtained, that Mr. Randle is not as well qualified as a number of others who have been given higher ratings than he.

This finding should, I think, satisfy my hon. friend that, regardless of anything else, no injustice has been done to Mr. Randle.

Having disposed of Mr. Randle's appeal, the review board, and I contend without any authority to do so, proceeded to review the ratings of the other candidates. In doing so they took it upon themselves to ascribe new duties to the position, different from those described in the advertisement. Then, without giving the candidate who had been rated the highest an opportunity of being heard, they recommended that that candidate did not possess the minimum qualifications. The commission approved the report of the review board and notified the department that the candidate who had been rated second should be appointed to the position.

Mr. HARKNESS: Why was he not appointed?

Mr. GLEN: He has had his appointment now. I will tell the hon. member why if he will allow me to continue.

The members of the house will readily appreciate how unfairly this procedure works against the candidate who received the highest rating. Having disposed of the grievance of the candidate who appealed, the board of review on their own initiative disqualify the first candidate and he is left with no right of appeal. Likewise the other candidates who might have complained of the first rating would have no opportunity of appealing.

The matter was discussed at a meeting with the commission in May, 1946. It was pointed out that the review board had erroneously enlarged the duties of this position and that they were much different from what the department had in mind. These duties were fully explained to the commission, and an agreement was reached at the meeting that they more closely fitted the duties usually performed by a general executive assistant. It was agreed, therefore, that the title should be changed accordingly and formal action to this effect was taken in August, 1946. The

department then asked the commission to accept the ratings already made in the other competition and to appoint the candidate who had received the highest rating. It was the view of the officers in the department that the commission had before them the carefully considered ratings of the two senior officers and concurred in by Doctor Camsell. These officers were in the best position to judge the qualifications and experience of the candidates to perform the duties which they had in mind for the incumbent of the position and consequently no useful purpose would be served in rating the candidates again.

However, the commission did not see fit to adopt this procedure, and the matter dragged along without any action being taken until last December when notification was received from the commission that the candidates in the original competition should be rated again. Officers in the department as well as myself took strong objection to this proposal which, in effect, might likely subject Mr. Pratt to further injustices. Further, it was pointed out that officers were being asked to rate a second time the same candidates for the new position when the duties they had in mind for it were not much different from those intended for the other position. The ratings previously made had been ignored. What assurance would there be that the second ratings might not also be ignored?

The commission was therefore informed that it was the opinion of senior officers of the department that there was no other employee as well qualified or who had the experience that Mr. Pratt possesses to carry out the duties of the position. The commission accepted this statement and finally selected Mr. Pratt for the position, subject to any appeal that might be entered by any of those who were candidates in the first competition. I am informed that an appeal has again been entered by Mr. Randle and that a review board has been set up again to consider it. This is his right and no one can object to what he has done. I would have thought, however, that when it was made known to him that there were many other officers in the department who were considered to have superior qualifications and experience, he would not stubbornly persist in exercising this right and thus delay the filling of the position which it was hoped would contribute greatly to the more efficient administration of Indian affairs.

The hon. member has suggested that there has been political interference in the filling of the position. Does he suggest that Mr. Pratt was selected for the position because he is my private secretary, and since I am a Liberal, his association with me has brought him into the field of politics? If not, then I can only assume that he has in mind the fact that shortly before Mr. Randle was appointed to the position he now holds he unsuccessfully contested a provincial seat for the Conservative party and that because of this fact—

Mr. HARKNESS: I should like to say this, Mr. Speaker; I do not know Colonel Randle. I have never seen him. I have no idea as to his politics; and that has nothing to do with the matter as far as I am concerned.

The ACTING SPEAKER (Mr. Golding): Order.

Mr. FULTON: On a point of order, Mr. Speaker, I would point out that the minister in his remarks just said: "I would ask the hon. gentleman". He asked him a question in the course of his remarks. I suggest that gives the hon. member a right to reply.

The ACTING SPEAKER (Mr. Golding): I would suggest to hon. members on all sides of the house that they should not interrupt an hon. member who is speaking unless that hon. member consents to answer a question. The rule is perfectly clear.

Mr. HARKNESS: The minister asked me a question.

Mr. GLEN: As I was saying, I can only assume that he has in mind the fact that shortly before Mr. Randle was appointed to the position he now holds he unsuccessfully contested a provincial seat for the Conservative party and because of this fact—

Mr. HARKNESS: My answer to that question is that I did not know it. The minister has just asked if I was aware of it. I was not aware of it and did not know anything about it.

Mr. CRUICKSHANK: We grant that.

Mr. GLEN:—someone in the department, either myself or others, are attempting to prevent his advancement in the service. I am sure that if I suggested to the hon. member that this fact had something to do with Mr. Randle's appointment to the service, which was in the year when the Conservative party was in power, he would protest most vigorously and say that I was besmirching the name of a loyal civil servant who has given years of faithful service to his country; and I would agree with him. Yet this is exactly what the hon. member has done when he implied that there had been political interference with the filling of the position.

In his remarks the hon. member left the definite impression that because Mr. Pratt was

a minister's private secretary he lacked the qualifications for the position. I only wish he had taken as much time in inquiring into Mr. Pratt's record and experience in the public service as he did in listening to the incorrect stories of alleged grievances to which he referred.

The members of the house who are acquainted with my private secretary and know his sterling qualities will expect me to place on record his service. I intend to do so, though knowing it will be embarrassing to him. Mr. Pratt was born at North Gower, Ontario, on September 13, 1896. He completed four years at high school before reaching the age of sixteen years. After attending classes which were equivalent of one year's university training, he first entered the service in the Post Office department, on May 11, 1913. In May, 1915, he qualified as clerk of the second division, subdivision B, ranking thirty-third in a competition in which there were several hundred candidates, many of whom were university graduates. In January, 1916, he was transferred to the registration branch of the Department of the Interior. In May, 1917, he enlisted with the divisional signals and after his discharge was transferred to the dominion lands branch in 1919. In 1922 he was appointed a principal clerk as the result of a promotional competition. In 1924 he was offered the position of private secretary to the Minister of the Interior, who was also the minister having charge of the administration of Indian affairs. With the exception of a few months he continued in this position until the government changed in 1930. From 1930 to 1935 he occupied the position of chief clerk in the national parks bureau. Following the change of government that year, he was brought back to the minister's office. In December, 1936, when the department was reorganized, Mr. Pratt was appointed to the position of assistant secretary and chief of personnel in the Department of Mines and Resources. At the same time he was appointed private secretary to the then minister and has continued to hold both positions up to the present time. It will be noted from this record that fifteen of the thirty-four years of public service were spent in work not in any way connected with the duties of a private secretary, his service in the latter capacity covering a period of nearly nineteen years.

I should like to point out that the respective ministers under whom Mr. Pratt served in the capacity of private secretary had the responsibility for the administration of Indian affairs. As private secretary during the period mentioned, he accompanied the different ministers on their inspection trips throughout Canada, and in this way acquired a personal knowledge of the problems concerning the welfare of the Indians in every province. Again, as private secretary he became acquainted with the complaints made to the ministers by the Indians, and often had to discuss their grievances with them. Many of the complaints had to do with the service of the field staff, and in this way an opportunity was afforded to judge the services rendered by the personnel in the field.

As I have stated, during the last twelve years Mr. Pratt has not only acted as private secretary; he has also occupied the position of chief of personnel in the department. It can be fairly estimated that one-half his time was spent on personnel and administrative matters, and probably more than this when the house was not in session. It has been one of his duties to interview the field staff when they came to Ottawa and to discuss their problems with them. As chief of personnel it was also his duty to act as the headquarters representative on civil service boards. He also took part in the final preparation of the estimates before they were submitted to treasury board. He had to perform many other duties apart from those as private secretary, but I need not take up the time of the house in detailing them. However, it will be appreciated that his work gave him a thorough and intimate knowledge of the administration of Indian affairs, especially the problems connected with appointments and changes in staff and the expenditures required for field operations.

I think it unwise to discuss in this house the relative merits of civil servants for appointments in the service. However, the hon. member chose to do so, and therefore I have no alternative—and it is a privilege and pleasure for me to do so—than to speak on behalf of the civil servant whose qualifications are being belittled. I can assure hon. members that I do not look forward with any pleasure to the possibility of my secretary leaving me. On the other hand, I am not going to sit idly by and permit his qualifications for a position in the department to be questioned. I will leave it to others to judge whether his long record of public service and the experience thereby acquired does not fit him for the position to which the hon. member referred. Knowing his modest and unselfish nature, as many hon. gentlemen do, I am sure the house will accept my statement when I say that never at any time did he ask me or any other senior officer to use influence on his behalf. I know personally that he did

not seek the position and only reluctantly became a candidate when asked to do so. It is to be regretted that when he has almost completed his thirty-five years of service he should be subjected to all this unfair publicity.

I had hoped this matter would have been closed after making this reply to the statement made by the hon. member. However, as a result of his careless remarks, certain garbled and incorrect stories have appeared in the Ottawa *Journal,* suggesting that there had been favouritism in the rating of the candidates. It is clear that the writer of the first article had obtained access to the records of the proceedings of the first board of review.

Mr. HARKNESS: Why was the account garbled if he had access to these records?

Mr. GLEN: May I point out that these boards are set up by the civil service commission. The members are sworn to secrecy, and the proceedings are treated as confidential. The reasons for this are apparent. The second story which appeared in the *Journal,* incorrect as it was, again indicated that there had been disclosure of confidential information. I am drawing this to the attention of the chairman of the commission, and I have no doubt he will make a thorough investigation and that the necessary disciplinary action will be taken. If any member of the civil service has broken the oath of secrecy, he should certainly be punished.

After I had read the first newspaper story, I felt it my duty to discuss the matter fully with the two rating officers. In fairness to them and to all concerned, I wish to read to the house the statement each gave to me. This is the statement of Mr. C. W. Jackson:

> On instructions from the then deputy minister, Mr. Hoey and myself were asked to rate the candidates for the position. We accepted this responsibility and carried out our task, and as required certified on our honour that the ratings given were wholly on the basis of merit and without reference to personal or political considerations.
>
> I deny most emphatically that I instructed Mr. Hoey to agree to any of the ratings or that I influenced or attempted to influence him to give higher ratings to some or any one of the candidates. I also deny that I made this statement that "Mr. Pratt is the man I wanted appointed."
>
> In giving my evidence before the Board I did, however, strongly emphasize Mr. Pratt's qualifications and experience for the position. I mentioned very fully the reasons why we had given him the highest rating and I did say that I sincerely believed that he was the most suitable candidate. I protested without success against certain members of the board attempting to fix duties to the position which were never contemplated. As there was nothing new disclosed at the hearing to make me change my mind and it being obvious that the members of the board were not as well qualified as Mr. Hoey and myself to determine those duties or to judge the candidates, the story in the paper that the board "made little progress with me" is quite true.

I have also the statement Mr. Hoey has given to me, and with this I shall close:

> In the press of February 16 there was a news item in which statements in quotation marks credited to me appeared. I have no information that would enable me to discover the source from which these quotations were obtained. As suggested in the article, however, I did appear as a witness before a civil service appeal board in March, 1946. No report of my evidence was taken during the course of my submission and the members of the board acting under oath did not supply me with a copy of the proceedings.
>
> While it is difficult to recall with any degree of exactness the words or phrases used during an hour or more of cross-examination, I can say with the utmost emphasis that I did not at any time state that I was acting under dictation or coercion or that influence in favour of a particular candidate was brought to bear upon me at any time. I most emphatically deny that I stated at any time that Mr. Pratt knew "little about the actual work with Indians."

I have given the record as I have obtained it. I think it is strictly and technically accurate, and that Mr. Pratt has been militated against by this agitation created in the newspapers, and also by the speech of the hon. member. As I have said, I am satisfied that no public servant in the service today is more qualified than Mr. Pratt to undertake the duties of this office; and it is an office we wish to see filled because, like the hon. member for Calgary East, I am also very much concerned about the administration of Indian affairs. We felt that a position such as was being created was necessary for the interrelating of the personnel in the field, and that no man of all the candidates who applied had qualifications as great as those of Mr. Pratt. As I have said, I shall be sorry if the day comes when he may leave me, because I know of no more faithful or more conscientious civil servant, or any man whom it is a greater privilege to know than Mr. Pratt.

Mr. HARKNESS: If the minister would permit a question, could he give us the results of the examination conducted by the civil service commission when this competition was held? That is what I referred to in my speech. I am not familiar with all these various names, these rating boards and all the rest of it. I was speaking of the civil service examination held in connection with this competition. Could the minister give us the result of that and say who stood first, second, third and so on.

Mr. GLEN: As I have already stated, in these examinations Mr. Pratt was rated first, and the gentleman in whose behalf you spoke was rated eighth.

Mr. HARKNESS: You are referring only to the rating by your own departmental officials. I am asking for the results of the civil service examination.

Mr. GLEN: Mr. Pratt was informed at one time that he was to be appointed to the position; then this other question arose.

Mr. HARKNESS: That was on the rating of your own departmental officials. You will not answer the question.

Mr. PARK MANROSS (London): Mr. Speaker, I intend to take only about twelve minutes of the time of the house. My remarks will be in two sections, unless there are any interjections, in which case there may be some subsections.

The other evening, in discussing a certain tariff item, I briefly mentioned the blind, but today I should like to elaborate a little on that matter because last week was "white cane" week. The white cane is the symbol of blindness. It signifies the desire of the blind for independence and responsibility. There are a few "do's" and "do not's" in connection with white canes; I am sure all hon. members know about them; but to refresh our memory, let me say that probably the most important "do" outside of watching carriers of white canes and being careful not to blow our horns or race our motors when stopping at stop lights if there is a white cane waiting to cross, is to remember that if you hear a white cane tapping it means the blind person wants your assistance, and you should go to him. That is probably the most important thing to remember.

Among the "do not's", after remembering not to leave tricycles, toys and children's cars on the sidewalks, probably the most important to remember is not to grasp a blind person by the arm and push him across the street. Let him take your arm; let him touch you. This is not because they are fussy but because it frustrates and excites them. They do not want anyone to push or shove them. So if you see a man with a white cane, especially if he is tapping it, just offer him your arm or coat-tail and let him tag along after you.

There are two blind organizations in Canada, which some people find confusing. There is the Canadian council of the blind, which came into being through the desire of many blind people to take an active part in the social life of their communities. Social readjustment is of vital importance to these people. The Canadian council provides local clubs and groups so that the blind may work together in organizing their own social and recreational programs. In the council the representatives of these local groups can pool their ideas; they can have discussions and make decisions, and this is evidence that these people are capable of thinking and acting constructively and taking their part as responsible, democratic citizens. In passing, I am happy to say that the president of the Canadian council of the blind at the present time, Mrs. Sadie B. Bending, resides in London, Ontario, while the directors are scattered across the country in the various provinces.

Many are apt to confuse the Canadian council with the Canadian National Institute for the Blind. They are entirely separate organizations, though they work very closely together. The Canadian council is more or less the social, recreational and readjustment organization. The Canadian national institute is an administrative body, recognized by the governments of the dominion and the provinces as the official agency administering service to the blind and the work in connection with the prevention of blindness. This is the organization that provides teaching and educational staffs, field secretaries, librarians, departmental heads and so on to give the maximum of individual service to all registered blind people, to provide Braille and other educational facilities. At the present time they also establish refreshment booths in federal and other public buildings across the country, which afford employment for blind operators in these localities.

At the present time I believe there are about ten thousand registered blind persons across Canada, so that when we are talking about guiding allowances or additional pensions for the blind it can be seen that there is very little involved, and that no one is talking about the blind in this house for any political advantage, because there are only a few blind people in each riding. Blind citizens need better legislation. The Canadian council and the Canadian national institute are sponsoring a six-point program for the purpose of improving the economic welfare of the blind people of Canada. The provision of blindness allowances, which some of us call "pensions" and which is now termed "pensions", and of medical care for eye troubles is beyond the financial scope of any local organization.

The six point program of the blind is very simple. The first is the creation of a blind persons' act entirely separate from and independent of the Old Age Pensions Act. The

reason for this is that for a blind person the blindness allowance is not an insurance against want in his old age, but rather a foundation or stepping stone for his future. The problems of blind people between twenty-one and seventy years of age are entirely different from those of old people over seventy who are getting the old age pension.

Then, of course, they prefer the use of the term "blindness allowance" and the elimination of the word "pension", because to them a pension means that you are pensioned off, that you are on the shelf, whereas the blindness allowance means that you are at the starting point, that you have a chance to get on in life.

Point No. 3 is that they would like the elimination of the means test, and I believe most of us will agree with that. In other words, the blind are interested in getting started. They do not think that when a blind person gets a pension at the age of twenty-one he should have to submit to the means test, because he is just getting started in life. He wants to get his education; he wants to learn Braille; he wants to learn a trade, and they believe the means test should be eliminated. After they have obtained their education or learned their craft, and have obtained employment, they want to be treated exactly the same as any other individual in Canada as far as income tax is concerned. They do not want any special treatment; but they do not believe they should have to undergo the means test.

Point No. 4 in their program is an increase in the blindness allowance in relation to the cost of living. They believe that, having in mind the increased cost of living, $40 is not asking too much, and they hope it will be made uniform in all the provinces. We do not think that is too much, either, because they have some expenses the ordinary person does not have.

Their next point is that under the pensions act there is a requirement that a blind person must be a resident of Canada for twenty years before becoming eligible for this blindness allowance. This is hardly fair. People have come here in good faith from other countries and, after living here for perhaps three or four or five or twelve years, have become blind through accident or some other cause and they find they can get no allowance until they have been here twenty years. They think that period of residence should be cut to five years, and naturally I endorse that.

They also want adequate provision for medical or surgical treatment for eye conditions to conserve or to restore vision and to prevent blindness.

I felt it my duty to present this blind program because I am closely associated with their work. I know that the blind as a whole are a happy family, friendly and industrious, and are anxious to become independent. They do not like to be looked upon as being wards of the country. In my own little church at home a young blind man reads the lessons from a Braille scripture book and walks blocks in the coldest weather to help serve in his community. I hope that the Minister of National Health and Welfare (Mr. Martin) will give consideration in his estimates to helping carry out this national program for the blind, which, after all, will cost very little, and I am sure that members of all parties in the house will be glad to approve the expenditure.

Mr. PROBE: If the hon. member will permit a question, he mentioned two groups, the Canadian council of the blind and the Canadian National Institute for the Blind as being the only groups operating across Canada. Will he indicate whether or not that includes the Canadian Federation of the Blind as another organization which operates on a national basis?

Mr. MANROSS: The Canadian Federation of the Blind is another organization which is separate from the Canadian council of the blind and there is no duplication of services. The Canadian federation as a merchandising body and the national council work on a social and recreational basis for the blind.

A word about my riding and the city of London. Somebody will say: Where is that? London is located half way between Toronto and Windsor on the main lines of the Canadian National Railways and Canadian Pacific Railway and on highway No. 2. It is not like Hamilton; you do not have to back into it. It is the beautiful forest city on the Thames river, with a population of approximately 90,000, and it has one of the highest percentages of home ownership in Canada.

Its industries are diversified. We have a lot of small industries but no really large ones. We do not have big booms or big drops, but things go on, on a fairly even keel. Our industries include printing, lithographing, paper boxes, electric refrigerators, four hosiery mills, paint spray guns, spray motor farm equipment, threshing machines, foundries and tool steels, power tools, radios, two shoe factories, underwear, overhead doors, hardware, concrete machinery, textiles, toys, die castings, fountain pens, financial firms, banking, two head offices of life insurance com-

panies, and one brewery. We have the kind of industries in London that are perfect examples of what free competitive enterprise should be. In other words, it has not got out of hand, but has kept on its own feet.

An interesting survey was made recently of nine firms in the city of London. They are:

Empire Brass Manufacturing Company, Limited
Dennisteel Corporation, Limited
George White & Sons Company, Limited
Holeproof Hosiery Company, Limited
Kelvinator of Canada Limited
London Concrete Machinery Company, Limited
Richards-Wilcox Canadian Company, Limited
Scott-McHale Limited
Sparton of Canada Limited

It was interesting to see the results of this survey. The total sales of these nine corporations amounted, in round figures, to $17,000,000. Their total costs, including everything except wages, salaries and taxes, were $9,500,000. Taxes, including sales tax, amounted to $2,000,000, leaving to be divided the sum of $5,000,000. That is what was left after paying the taxes, cost of materials and overhead, and of that $5,000,000, $4,600,000 was paid to the workers and $290,000 to the shareholders, and the remaining $536,000 was reinvested in buildings from machinery and working capital. We were not satisfied with that, so we went ahead to break down the sales dollar to see where it went and we found that it went as follows:

56¼	cents	for materials, et cetera
11½	"	for taxes
27¼	"	to workers
1¾	"	shareholders for use of the property, machines and working capital
3¼	"	into new buildings, machinery, inventory, working capital and reserves, all of which increase employment
100		

Of the $5,000,000 remaining after all costs and taxes were paid, the workers received 85 per cent and the shareholders 15 per cent. Less the 3¼ per cent, that went back into new buildings and machinery.

Our free competitive enterprise system in London is not a profit system but a proft-and-loss system, because there have been years when these companies showed an entirely different picture. There have been years in which they lost money and the shareholders got nothing. I thought I would give a description of these industries to show the kind of town it is. The people all work together, and through the community service of our chamber of commerce—I am not a junior any more—we were able to get this information and break it down.

[Mr. Manross.]

In addition, London is a cultural and educational centre. We are one of the few cities with a drama league that owns its own theatre—not a hall but an opera house. We have a library and an auditorium which is a fine example for Canada and the United States to follow. Many libraries on the North American continent are already being built based on the plans of the London library. It is a beautiful place, with a small auditorium at one end. The Minister of National Defence (Mr. Claxton) is going to have the privilege of seeing that auditorium tonight because it is an excellent place for a small meeting, and he is speaking to the Liberal association there tonight. Personally I have to hire a hall or speak in the market place. The library is lovely, and I hope hon. members will not pass up any chance to see it. We have also a conservatory of music, fine collegiates, a large technical school, with auditorium seating 1,700; that is the one I use. We have also the University of Western Ontario, which is winning a great reputation in medicine and arts and rugby. For the benefit of my colleague the hon. member for Kingston City (Mr. Kidd), I may say that we are developing a junior rugby team so that Kingston will have somebody they can beat, for our senior rugby team has not been beaten since 1939. We have also Brescia Hall, for music and theory; St. Peter's seminary and De LaSalle college, which are turning out high-class graduates; also Springbank park of 1,900 acres at the edge of the city, and Port Stanley. We have many city parks, five high-class golf courses, and we are only twenty miles from lake Erie.

I want to appeal to the government, on behalf of the city of London, to unleash our business district. The city has grown, as hon. members will see from the few industries I have mentioned, and we need a bigger and better downtown area. But the government, through no fault of their own, but caused by progress, has us fenced in. Our industries have taken over buildings. In every town there is a main corner and a street crossing it. These are considered the two main streets. So it is with London. Our business is concentrated in that small district. At the bottom of the street that runs north and south, two blocks from the main corner in the city, is the subway of the Canadian National Railways. Half a block north of the main corner there is the naval training station and an old post office which is falling down, and an old customs house across the street which is being used by different departments. On the other corner there is a dominion public

building. If you walk two blocks you will find a lot of government buildings. Going west from the main corner for two blocks, you run into the river and the jail. Nobody wants to go that way. Going east we have a fine wide street. It was widened a few years ago. Two blocks from the main corner you find the armouries. The armouries take up three-quarters of a block.

What we are asking the government to do is this. Dispose of some of these government buildings. Now is the time to dispose of property. We held an auction just recently on a small building. It was not as large as any of these buildings of the government. It was sold in four pieces by the auctioneer and brought in $436,000. The building was seventy-five years old. If the government would auction off some of these buildings they would get sufficient money to erect a new government building on a spot where there is parking space and away from congestion, but convenient. It would be an ornament to the city. The employees would do more efficient work and everybody would be happy. There would be room for expansion as well. I commend this proposal to the government, and I wish they would look into it. If they do anything about it they may take the credit for it, and that would be all right with me so long as we get rid of the old buildings there.

An hon. MEMBER: Do you not want a post office?

Mr. MANROSS: We have a fine post office. I arranged last year for it to be pointed.

I should now like to mention the Veterans Land Act. Various hon. members have made some reference to it in the past. In London we have some houses built under the Veterans Land Act. I agree with the recommendations that have been brought forward. Hon. members know that the administration of the Veterans Land Act cost about $9,000,000, and still some of the houses are not repaired. We have had some of these ultimatums issued. The minister promised the veterans that the houses would be fixed up and that they would not be required to sign anything. The administrator of the Veterans Land Act came along and issued ultimatums, saying that they would have to sign. In fairness to the veterans, this house should agree to the recommendation of a royal commission to investigate this matter fully, so that we shall all know where we stand and receive information that the veterans will be fixed up.

Mr. R. M. WARREN (Renfrew North): It is quite a long time since we listened to the mover and the seconder of the address in reply to the speech from the throne. I was accorded the honour of seconding the address on one occasion back in 1938, and I considered it a considerable task for a new member to be pushed into that position on his first visit. Like many other hon. members, I must congratulate the mover and the seconder on the creditable job they accomplished at that time.

My object in speaking on this occasion is not to utter a word of complaint or to make a request. I have no complaints to offer and no requests to make. I have not even any advice to offer. I am going to talk about some of the recent high spots of progress which have taken place in the riding of Renfrew North. I am not going to attempt to go into any detail with regard to my riding, but I will give the house a bird's-eye view of what has happened there recently in the way of progress. Perhaps what keeps communities content and happy is the organization of community groups. We are fairly well established in that respect. In our farming communities we have the federation of agriculture. We have credit unions, women's institutes and co-operatives. Recently we had organized in Pembroke a branch of the Women's Canadian club; a little less recently a Rotary club was organized in the little village of Douglas, and not quite so recently a branch of Rotary and a branch of the Canadian Legion was organized in the village of Eganville. Of course, in a town like Pembroke we have had for many years such institutions as the Kiwanis, Rotary, Kinsmen and numerous others. Then we have the Catholic Women's League, the Alexander club, and many other organizations. In my opinion these organized groups, and others such as the board of trade, are always taking an interest in the welfare of the community in which they are established, and they have a great deal to do with the maintenance of law and order. They have a great deal to do with raising the morale and the standard of living in the different communities.

No doubt all hon. members have heard of a new place called "Deep River". Deep River gets its name from the depth of the water in that part of the Ottawa river. I do not know whether it is true or not, but it has been said that the water was so deep in that part of the river that no person had been able to sound its depth. Not so long ago things began to happen at Deep River. There was a great deal of guessing and wonderment as

to what was occurring when it was learned that a great construction operation was under way. In the course of time not only was there a huge plant constructed a few miles outside the village of Chalk River, but in addition a splendid modern little city began to take shape to house the workers and employees at Deep River. There are about two thousand people living in that modern little city. These people have all the conveniences that one could get in any city. There is a large hotel, a coffee shop, drugstores, places of worship, and so forth. There are also organized groups in the little city. To my way of thinking, it is one of the cleanest and most up-to-date little cities that one could find anywhere in Canada. If you wander around that place and have occasion to meet groups of men you learn that you have to address every second or third man by the title "doctor". I do not mean medical doctor. We have four medical doctors there, a supply of nurses and a good hospital. The doctors to whom I refer are doctors of science or doctors of something or other. One cannot help but be impressed with the fact that with so many highly qualified officials working in the laboratories of the national research council something must be taking place in that little city which will be to the benefit not only of the people of Canada but to the world as well.

If you go south from the village of Cobden a few miles you come to the village of Haley, and a couple of miles east of that village you come to another new station that has grown up within the last few years. At that plant the manufacture of a mineral or metal known as magnesium is being carried on. That site was selected because there is an inexhaustible supply of rock there easily obtainable which is suitable for the purpose for which it is required.

It is claimed that magnesium is 25 per cent lighter than aluminum and 75 per cent stronger than steel. It is a recent development, and no doubt in the course of time that metal will be turned to many thousands of uses not only in Canada but throughout the world. There is a fine modern community around that plant. The officials have all their necessary modern accommodations, and at the plant itself there is a splendid eating place with sleeping quarters for the employees.

Speaking of that particular plant, a gentleman said to me the other day that some day that place will be the Pittsburgh of Canada. The Ottawa river serves as the boundary for the riding of North Renfrew. We all know the deplorable shortage of electrical power; and it is some comfort to realize that at the Chenaux rapids close to Portage du Fort on the Ottawa river, which is a few miles south of the village of Forester's Falls, a few miles northeast from the magnesium plant, preparations are now going on to develop power there and when completed it will produce 160,000 horsepower. If you go farther west you will find yourself still in North Renfrew when you reach Des Joachims. Work has been going on there for a considerable length of time in the development of power and, when completed, there will be a production of 480,000 horsepower. That development approximates the development at Queenston on Niagara falls. Their nominal output is 500,000 horsepower, and when this development I speak of is completed it will produce, as I have said, 480,000 horsepower.

This required the clearing of 11,000 acres of land to make way for the backing up of the Ottawa river. The water on the Ottawa river will be backed up fifty-seven miles and will require the replacement or the moving of twenty-two miles of Canadian Pacific railway and twelve miles of highway No. 17. It is estimated that it will require the removal of 2,600,000 yards of solid rock, and to accomplish this there will be needed 3,000,000 pounds of dynamite.

Just now there are 1,250 men employed on the Ontario side of the development, and they also have their own modern community, their own hospital, their own recreation halls, and an excellent eating establishment. In fact, in that particular cafeteria there is a sign reading, "If you need more good food all you have to do is to ask for it". That is in North Renfrew. These are some of the highlights of the development, and the progress which is taking place in North Renfrew, and which I think should be generally known.

Hon. members know, of course, about Petawawa military camp. That camp is being transformed into a permanent military camp. I believe that Petawawa military camp is recognized as probably the best training centre in the world for artillery purposes. I do not think there is any better spot for the training of bridge builders. In my opinion Canadian artillerymen trained at Petawawa were unsurpassed during world war I and the last world war. I was interested to watch the training of those men in bridge building and later on to learn, when they came home, that many of them had been taken from Canadian corps and placed with other regiments of the British armies because of their expert knowledge of bridge building. During the last war they built bridges all over Europe, including the bridge across the Rhine.

The Petawawa military camp comprises 131 square miles. A part of that military ground, covering 95 square miles, was taken over in 1923 by the Department of Mines and Resources and it is used as an experimental forestry station. Too few of us know of the splendid work that is being carried on at that station. That work is of very great value. Experiments of all sorts are being carried on there, for example, in connection with the protection of undergrowth, the best methods to use in thinning the forest, or the proper distances to leave between trees so as to promote the best growth. There is also work in connection with fire protection and the study of insect diseases such as the spruce budworm, the white pine weevil, the heart rot in poplar, and white pine blister. If such diseases can be overcome we shall have accomplished a great deal in forest protection not only in Ontario but throughout the Dominion of Canada.

Speaking of that area of 95 square miles, during the war years an internment camp was erected at Centre lake. I think I am safe in saying that of all of the thousands of prisoners interned in that camp, not one who escaped was not returned in a short time to the camp. Of course a good deal of credit must go to the veterans of world war I who served as a security guard at the camp.

It was an ideal place for an internment camp. These prisoners of war cut their own wood for fuel; they did their own cooking; they looked after their own affairs, and besides that they helped to build roads and in a general way were kept busy. That, I think, was a good thing. At the forestry station, there is a nice community, proper sleeping quarters, and eating places and homes for the officials. A great many conscientious objectors were taken care of there, and much useful work done during their term. It is interesting to note that during the years sixty miles of road have been built through that forest, thirty miles of telephone line and two lookout towers, besides many bridges. But it would be a mistake to think all of that land was going to waste or was not in production during peacetime, because this timber was always growing. Every year a great deal of timber is sold to contractors. Of course any timber that is sold from there must be taken out under the supervision of the forestry officials who mark the trees which they will permit to be cut. Needless to say, all brush and slash must be burned at the time of cutting.

In Renfrew North we have types of soils ranging from heavy clay to light sand. In Petawawa township we have a type of sand suitable for the cultivation of tobacco and some day we may compete with Norfolk county in tobacco growing. In fact, Major Forgie of the town of Pembroke, who has been doing some experimental work, is fairly well convinced that some day we shall be producing tobacco on an unlimited amount of land in Petawawa township. In 1947 the farmers on the heavier lands were not quite so fortunate as those on the lighter soils. The farmers on the lighter soils in at least some cases had good grain crops, whereas many farmers on the heavier soils, as a result of the wet spring, did not. But if we lose one crop in Renfrew county we are not likely to starve. Every farmer, whether on heavy soil or on light soil, had a wonderful crop of hay. This year any farmer who did not want to feed his hay on his own farm had available a ready market at a fine price.

We grow a great deal of alfalfa. We have hammer mills which transform this alfalfa hay into a meal which is shipped all over the country and exported. It is one of the necessary ingredients of poultry feed, feed for young hogs and dairy feeds. As a matter of fact, I should not be surprised if some of it went as far as Fraser Valley.

Mr. ROBINSON (Simcoe East): Oh, no.

Mr. SINNOTT: It does not get even into Manitoba.

Mr. WARREN: All right. I thought the hon. member for Fraser Valley would appreciate having some of that alfalfa meal in his riding.

Mr. McCANN: There is the export market.

Mr. WARREN: Yes, it goes overseas; it goes to Australia.

Mr. ROBINSON (Simcoe East): You must have an export permit.

Mr. WARREN: Maybe so. Many scores of our women have turned to poultry and eggs as a sideline; and in many cases it has turned out to be a profitable one. These women, after careful study, have become expert in the handling of poultry and eggs. In Renfrew North this business has become big business. It is interesting also to note that in Renfrew county there was a substantial increase in hogs in 1947 over 1946, a substantial increase in the output of butter in 1947 over 1946, and a substantial increase in the revenue from beef production over 1946. If everything else fails, we always have something to fall back on. We have logging. In almost any community you can mention you will find a sawmill. I often wonder where the logs come from, but they keep coming. This year you may think there will not be any

next year, but next year you find that there are just as many. Something that we sometimes lose sight of is the fact that trees keep on growing. The logging industry in Renfrew North is a wonderful sideline, not only for many farmers, but for jobbers and contractors as well. There is a market for such timber as poplar. We have such plants as the Pembroke Shook Mills in Pembroke and the Canadian Splint and Lumber Company. The better timber is always going out to various points throughout the country.

We have the most wonderful tourist attractions that can be imagined, almost anywhere one likes to go throughout the riding of Renfrew North. We have lakes without number, plenty of fish, splendid hunting grounds, unequalled scenery, good hotels, good accommodations and good tourist resorts. I would say to hon. members that if at any time they want to have a good day they should go up highway No. 17, or go to Golden Lake, or go in any direction they may wish to throughout the riding of Renfrew North, and I feel sure they will come back happy and pleased.

Mr. J. M. MACDONNELL (Muskoka-Ontario): I wish to spend some time this afternoon, Mr. Speaker, talking about a danger which is overhanging our country, a danger which is serious now, which could become disastrous, which I think few people correctly understand, and which, for reasons I shall try to make clear, the government seems unwilling to disclose and underline for the benefit of the public. I refer, of course, to inflation. Inflation is a dreadful thing. I want to quote briefly from the London *Economist* of January 17, 1948. After speaking about the slow realization in England of what they call the suppressed inflation there, they say this:

> . . . it is obviously true that inflation is the great problem everywhere else in the world.

Then, farther on, they say of England:

> Not merely is there an obvious inflation, but it is also clearly reaching the rampant stage.

We have to remind ourselves of what has happened elsewhere in the world. It is well to remember that inflation in Germany prepared the way for Hitler, because I suppose it is true to say it was the destruction of the middle class in Germany that eventually brought about the conditions of which Hitler took advantage. We are told that today the Russians hope inflation will win for them what they call the "cold war". In that connection it is interesting to read what was said just after the last war by a great economist who became famous, the late Lord Keynes:

> Lenin is said to have declared that the best way to destroy the capitalist system was to debauch the currency. By a continuing process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens. By this method they not only confiscate, but they confiscate arbitrarily; and, while the process impoverishes many, it actually enriches some.

Mr. MITCHELL: What is the title of the book?

Mr. MACDONNELL (Muskoka-Ontario): It is "The Economic Consequences of the Peace," at page 220.

Mr. MITCHELL: Thank you; I have read it.

Mr. MACDONNELL (Muskoka-Ontario): Whether we like it or not, we have a considerable amount of inflation in Canada today. Therefore it seems to me it is the manifest duty of the government to be impressing that upon us, to be warning us of the danger, to be calling upon us for the exercise of self-control. Instead of that, however, what do we actually find? We had a resolution introduced a few weeks ago by the Prime Minister (Mr. Mackenzie King) dealing with price spreads. Did that resolution have anything to say about inflation? I do not think the word was used in it. Three or four cabinet ministers, in addition to the Prime Minister, spoke during the debate; and while I will not undertake to say that the word "inflation" was not used by them, I will undertake to say that the point was not seriously made. I doubt very much if it was even mentioned by any of them as a prominent point. In other words, in my opinion that resolution deals entirely with results and not with causes. A witty American, writing about the witch hunt after price spreads, has said, "Inflation is the crime and the government is the criminal." What we actually find is that the government, I suppose because they have a sense of responsibility and wish to divert people's minds, had this committee appointed to deal with profits, hoarding and speculation, according to the terms of reference; all of which I believe have trifling, microscopic effects on the present situation. In other words, what they are dealing with, as I said a moment ago, are effects, while ignoring the causes; turning away from causes and looking for scapegoats, or a kind of decoy.

How is it, Mr. Speaker, that the citizens of Canada ever allow them to get away with

that? I suppose the first reason is that we in this country have never been exposed to the full blast of inflation. With us it has never been anything more than an inconvenience. We think of inflation as a thing that happens in funny foreign countries where they do not know how to look after their affairs properly. Yet people like the Germans, after the first war, were sensible people and usually able to look after their financial affairs pretty well. I consider it well to remind ourselves that before the first war we in this country used to think about war in exactly the same way. We thought war was a thing that happened in funny, far-off countries, usually inhabited by coloured people, and we never really believed it would come to us at all.

Let us look back for a moment at this thing we call inflation. In our school books we used to read about the debasing of the currency and about kings who clipped the coinage. Well, we do not have that sort of thing today. In those days, debasing the currency was really much easier to detect. In these days, when we have paper money and the amount of money is limited only by the amount of paper produced by the mills, it is extraordinarily difficult to find out exactly what a government is doing; and, as I shall show, we have inflation now in a very substantial way. If we do not take care and take immediate steps we may have it to a very much greater degree.

The government of Canada at one time had a very sound view on the matter of inflation. I want to read a short passage from the budget speech in September, 1939, which I have no hesitation in saying was an able document. In that speech, after pointing out that, of necessity, a certain amount of inflation—I think it was in the form of borrowing from the banks—was to be used in order to get the economy moving, because, of course, in 1939 things were pretty dull, the then minister of finance went on to say:

> However, as soon as the expansion of employment and production gets well under way and certainly before it approaches its limits, further expansion of the supply of money and credit must be stopped if the danger of progressive inflation is to be avoided. With an economy at full production and employment, the only result of expanding money and credit is to raise prices without increasing production. At such a point commences the cumulative spiral of inflation with all its deadly consequences to the economy.

That was the view of the finance department in the autumn of 1939, and of course it is well for us to remember that was early in the war; that we could not expect to foresee the course events were taking, so that no fair-minded person would object to the fact that during the war the government was not able to hold fast to that sound principle.

Well, we all know in a rough and ready way what we mean by inflation, the phrase has become current; too much money chasing too few goods. A rather more dignified description given by an economist is this: "the situation where the flow of money incomes is greater than the goods and services available for purchase with such incomes at prevailing prices".

I have stated that there is inflation. Let us take a brief glance back now at what actually happened, and see how it arose. First of all, I want to give a few simple figures showing how money and its equivalent in terms of purchasing power have increased since 1939. Of course in that year the country was rather inactive. We should bear that in mind in making a comparison with 1939; otherwise we may reach an extreme view, and I have no desire to do that. The question is far too serious for anyone to want to exaggerate. Here are the facts. In 1939 the money in people's pockets, let us call it money in the till, money in the heel of the sock, or anything of that sort, amounted to $216 million. It is now a billion dollars, or multiplied almost five times. Savings deposits, which, of course, are also a means of payment, were then $1 billion. They have now increased to $3,800 million. Demand deposits in 1939 amounted to $800 million. They are now $1,300 million. In other words, the total of these three in 1939 was $2,100 million, and in 1947, $7,100 million; and as a matter of fact I have seen since then a somewhat larger figure.

You may ask whether I am suggesting that, because the quantity of money is up three times, therefore prices should be multiplied by three. No, it is not as simple as that; it is not a question in simple arithmetic. Nevertheless every serious student of money and the effect of money agrees that the quantity of purchasing power available has a profound effect, and therefore I wish to talk more about it.

By the way, a moment ago I omitted to say that in addition to the increase of from $2,100 million in 1939 to $7,100 million in 1947 there are also in the hands of the public $6,000 million in victory bonds, which, as anyone will see, really are a means of payment, readily available.

I should like also to say I think it was desirable that there should have been some rise in price from 1939. It is hard to say

what would have been the ideal place at which to stop, but it is suggested that perhaps 1940 or 1941, or somewhere about the time when controls were put on would have been a proper time. That is a matter of opinion, and I am not committing myself. But, as I say, I believe we should not regard the situation in 1939 as ideal.

Now, how did that arise? The situation is very simple, as you look back. I read a minute ago the fine intentions as set out in the budget of 1939, that as soon as they got the wheels of industry turning further inflation should stop. But of course that was 1939, and we did not foresee the years from 1940 to 1945.

In those years what happened? We all remember that, because of the war, we got many billions of dollars. You all remember that we paid half of it out of taxation, and for that I give the finance department full credit. I think the way they put taxes on was to their credit. But of the balance, some four billions of dollars was raised by borrowing from the banking system; that is where the real inflation came in. And, again, I am not criticizing what was done during the war. It was what was done after the war that I am criticizing.

Anyway let us see what did happen. That four billions of dollars was borrowed; you get it in the figures I read to you. What did we get in exchange? Well, we got those things that the then minister of munitions and supply was turning out in profusion. We got aeroplanes and ships and guns and shells and munitions; we paid the armed forces; and we built factories.

Then, at the end of the war, in exchange for all that huge amount of money poured out, what did we have? The aeroplanes and the ships were practically worthless. We sold them for a song, if indeed they were still in existence. The shells had been used; the munitions had been fired; the guns had been fired. That was at the end of the war when we had a situation where very little was left, represented by that four billion dollars worth of purchasing power, with the addition of six billions in bonds.

I do not think any fair-minded man up to that time had any complaints about what was happening. We knew it had to be done, and we all applauded the then minister of munitions and supply. He went ahead and did it; he got the munitions of war, and we did not worry much about the cost. We wanted to win the war.

Then we came to the end of the war. There we were—and we were bursting with money, and at the same time short of all kinds of goods. We were short of houses, motorcars and all kinds of household goods which I need not take time to mention. In a word, there was practically an unlimited demand for goods. People's pockets were bursting with money, and we were in very short supply. In other words, one might say that we had material lying around for a prairie fire. What I complain about—and here is where my complaint begins, namely in 1945—is that, instead of damping down this fire, from that time on—and it is still continuing—the government have, in my opinion, added fuel to the flames. And that is very largely the reason we find ourselves in this situation today.

Why did they do that? As will be seen from the white paper of employment and income issued in 1945, they thought—and I do not think anyone blamed them at that time—that there would probably be a recession. They thought that all the devices which had been used in war would have to be carried forward into peace, and that we would have to have an easy-money policy to stimulate imports. If we read that white paper of the spring of 1945 we see that all the techniques which had been used in war for stimulating the raising of money and keeping exchange rates low were all outlined, in effect, in that memorandum, as something that would continue.

On motion of Mr. Macdonnell (Muskoka-Ontario) the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. HOWE: Tomorrow we shall continue with this debate and, if it is finished, we shall return to the emergency bill.

Mr. GRAYDON: Does the minister mean Bill No. 3?

Mr. HOWE: Yes.

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

HOUSE OF COMMONS

Thursday, February 19, 1948

The house met at three o'clock.

INDIAN AFFAIRS

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. D. F. BROWN (Essex West) presented the first report of the joint committee of the House of Commons and the Senate to continue and complete consideration and examination of the Indian Act, and moved that the report be concurred in.

Mr. CAMPBELL: Should we not have an opportunity to see the report before we pass it?

Mr. SPEAKER: The report was read by the Clerk Assistant.

Mr. CAMPBELL: We couldn't hear it.

Motion agreed to.

PRIVATE BILL

SENATE BILL—FIRST READING

Bill No. 59, respecting The Trust and Loan Company of Canada.—Mr. Pinard.

UNIVERSITY OF TORONTO

VOTE OF STUDENTS WITH RESPECT TO GOVERNMENT AT OTTAWA

On the orders of the day:

Mr. E. D. FULTON (Kamloops): Mr. Speaker, I should like to inquire whether the government is aware of the decision taken last night by the students of the university of Toronto when, in a debate in which the leader of the opposition participated, they voted in favour of the establishment of a Progressive Conservative government at Ottawa.

Right Hon. W. L. MACKENZIE KING (Prime Minister): If my hon. friends opposite wish to have a reply, I would say that the students of Toronto, as I remember them, have always been very courteous. No doubt they intended their action as a mark of courtesy to the leader of the opposition.

Mr. GRAYDON: Speak to the Minister of Trade and Commerce about that.

WAR SAVINGS CERTIFICATES

QUESTION AS TO CASHING AT LOCAL POST OFFICES

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I wish to direct a question to the Minister of Finance. It is rather supplementary to a question asked the other day by the member for Peterborough West (Mr. Fraser). Has consideration been given by the government, in the interests of convenience on the part of holders of war savings certificates, to the cashing of these certificates at local post offices? A number of representations have been received.

Hon. DOUGLAS ABBOTT (Minister of Finance): The question has been brought to my attention by a good many members, including the hon. member for Peterborough West, the member for Lake Centre, and a number of hon. gentlemen on this side of the house. The whole matter is being looked into, and I will try to make a statement in the course of a few days.

BEEF

PRICES—QUESTION OF ENSURING SUPPLIES FOR 1949

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): I should like to address a question to the Minister of Agriculture. Has the minister received communications from western Canadian beef producers and feeders that prices for finished beef are falling, apparently owing to the meat packing companies' lack of interest in bidding for finished beef? Secondly, will the minister tell the house what measures he proposes to take to protect beef feeders from losses on their 1947-48 operations, and thus to safeguard beef supplies for Canadian consumers for the year 1949?

Mr. ROBERT McCUBBIN (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, I have noted the question put by the hon. member for Lethbridge. The question will receive due consideration and an answer will be given.

Mr. KNOWLES: He should be a minister.

CATTLE

SHIPMENTS TO UNITED STATES—SHORTAGE OF U.S. DOLLARS

On the orders of the day:

Hon. W. E. ROWE (Dufferin-Simcoe): I would like to ask the acting minister of agriculture whether any further consideration has been given to lifting the embargo on Canadian cattle going into the United States, in view of the shortage of American dollars?

Mr. ROBERT McCUBBIN (Parliamentary Assistant to the Minister of Agriculture): That question, too, will be given consideration.

Mr. ROWE: We did not hear the answer.

Mr. McCUBBIN: I said that that matter will also be given consideration.

Mr. STEPHENSON: Might I ask the parliamentary assistant to the Minister of Agriculture this question: Has he been coached by the Prime Minister or by the Minister of Agriculture or both?

Some hon. MEMBERS: Shame.

INCOME TAX

EXPENSES INCURRED BY TEACHERS IN TAKING SUMMER SCHOOL COURSES

On the orders of the day:

Mr. F. S. ZAPLITNY (Dauphin): I should like to direct a question to the Minister of National Revenue. Has the minister received any representations from the Manitoba teachers society, or teachers' organizations in other provinces, in connection with deductions from taxable income of expenses incurred while taking summer school courses? If so, is the minister prepared to give consideration to their request?

Hon. J. J. McCANN (Minister of National Revenue): I have received no notice of the question, and have no recollection of any representations having been made. I shall inquire and will give an answer later.

Mr. ZAPLITNY: I sent notice of the question this morning.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Wednesday, February 18, consideration of the motion of Mr. J. A. Dion for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Bracken, and the amendment to the amendment of Mr. Coldwell.

[Mr. Knowles.]

Mr. J. M. MACDONNELL (Muskoka-Ontario): Mr. Speaker, I had begun to speak yesterday on the question of inflation, which seems to me a danger to our economy perhaps second only to that of the atomic bomb, and much more immediate. I pointed out the tremendous increase during the last eight years in the quantity of our money. I pointed out how that arose naturally during the war. I pointed out that the increase in money was not accompanied by any corresponding increase in goods. I pointed out further that that condition had been accentuated by the policy followed subsequent to the war, which I thought—

Mr. SPEAKER: Order. I dislike having to interrupt the hon. member, but I must point out to hon. members that there is so much noise in the chamber that it is disagreeable to the member who has the floor and, I am sure, to everyone who is trying to listen to what he is saying.

Mr. MACDONNELL (Muskoka-Ontario): Thank you, Mr. Speaker. I might say to hon. members that they had better listen now because it gets much duller as it goes on. This is the best part.

I just wanted to add that I had pointed out yesterday my belief, and the belief I have no doubt of everyone who reflects upon it, that notwithstanding the fact that this matter is of enormous importance, the government when recently putting before the house the question of high prices had entirely neglected this question of inflation; and I quoted the remark of an American writer to the effect that inflation was the crime and the government was the criminal, adding that our government was seeking to implicate other criminals so as to draw attention away from itself.

I wish to go on now and point out to you and to the house why I think that the policy pursued since 1945 has been wrong; why I think it is doing serious damage now, and, further, why I think that unless steps are taken to correct it there is more damage to be expected.

The diagnosis of 1945 was wrong. I said yesterday that I thought there was an excuse for the government, when coming to the end of the war, to believe that they might be faced with depressed conditions, and I did not think of blaming them for not realizing that they would be faced with a boom. But one can blame them, and blame them severely, for having continued for three years in their failure to recognize that what we are having now is a boom condition. The diagnosticians prescribed the wrong medicine. The condition which they foresaw and prescribed for was a

condition of anæmia, whereas what we have had has been a fever. In plain words, they used artificial means to keep down the rate of interest and keep up the supply of money.

What are they doing now? They are confusing or trying to confuse the people of the country by leading them off on a wild-goose chase in the committee. As a matter of fact the proceedings of the committee have indicated already that it is a wild-goose chase. I think the government's own officials have given enough evidence to show the nature of this foolish proceeding which the government of Canada has embarked upon.

In case anyone suggests that I am putting forward some wild idea that we should wreck the economy of the country in order to bring down prices, may I say this. I notice the governor of the Bank of Canada the other day made the statement that he did not want to burn the house down in order to cook his pig. He has been reading Charles Lamb, I presume. I do not want to burn the house down either to cook the pig, but temperate, gradual means should be taken, and there is no sign, or precious little sign, of the government doing that in any way, shape or form.

Let us now deal with the question of low interest. Some people seem to think that if you talk about interest you are touching some sacred thing and that you will arouse every person in this country against you. I am not afraid of that. What is interest? What does artificially low interest mean? It is interest which is kept down by artificial means. It gives us easy money. What do we mean by easy money? Just what we say—lots of money, money easy to get, money easy to spend, encouraging people to borrow whether it is wise for them to borrow or not, so that the money can be spent.

In a moment I shall quote from an authority suggesting that perhaps a good deal of money has been spent incautiously, that some of the chickens may come home to roost. What is the remedy for this? What is the remedy which has been tested by the generations? It is that when we get into boom times the rate of interest should be allowed to rise gradually and naturally. As I say, that is a remedy which has been tested by the wisdom of men for generations. What has happened here? Our government has undertaken to set it at naught. What I say is that if one undertakes to set at naught the tried and tested results of experience, if one undertakes to say that he knows more than all other men know, then he must be right. One cannot afford to come back later on and say: We thought we knew more than everybody else, but now we find that we do not.

Mr. BLACKMORE: Will my hon. friend permit a question?

Mr. MACDONNELL (Muskoka-Ontario): Yes.

Mr. BLACKMORE: Was it not the rise in the interest rates that immediately precipitated the great depression of 1929?

Mr. MACDONNELL (Muskoka-Ontario): I shall not try to answer that in a hurry, because there were a great many conditions that arose there. My hon. friend and I can discuss that at some other time; I have only twenty minutes left.

Let me come back to what I was saying. A rising interest rate is the corrective which has been recognized for generations. It has been set at naught, and what has happened? We have got into the deadly spiral. There are four well-recognized stages, you might say, in the deadly spiral. First of all, prices go up, and labour naturally asks for increased wages. Profits being good and demand being good, employers are inclined not to demur to such a request, and increases will be given to labour. As 85 per cent of costs consist of wages or services paid to other people who are self-employed, then prices go up. There is another turn in the spiral. But owing to the abundant means of payment, and the fact that prices are still soaring, these goods can be sold and so you have the deadly spiral which we are in the midst of now. In this atmosphere, expansion is in the air. This is in the psychology of boom; and if we go on allowing the psychology of boom to continue undisturbed, uncontrolled and uncorrected, we all know what will happen. We get a bust; and the longer it goes, the worse is the bust. What I charge against the government is that they are now refusing to allow the proper correctives to work, that they are stimulating and intensifying the situation and making certain that we shall have a bust. The government may say: Oh, we are not making these expenditures; private individuals are making these expenditures. In the main that is true. But what I charge is that the government is creating the wrong atmosphere. The government, by its credit policy, should not be making it easy for these people to go on expanding.

The other day a competent authority, Mr. Dobson, the president of the Bank of Montreal, stated as follows:

> Much construction is going forward now at costs so high that only continuous prosperity at present levels can make it pay.

In other words, unless we go on and on, and up and up, some of these chickens will

come home to roost. We are all on the merry-go-round. I say that the ordinary correctives have been denied to the economy. The government has prevented them by its financial policy. I do not think we ought to believe for one minute that we are necessarily at the end of the road yet. Doctor James of McGill, who is a well recognized authority in the field of finance and incidentally I think was chosen by this government as one authority on its planning commission during the war, says this: "Tremendous forces for potential inflation still exist". That statement was made a couple of days ago. He says those forces still exist. In other words, if we go on at this rate the boom will turn into a bust. Some people seem to think we are on a verge of a bust now. Indeed I heard someone say the other day, "Is that not just the Prime Minister's luck? We are going to get a break in prices and he is going to be saved". What I say is this: if we have a break in prices even now it will cause enough disturbance and the government even now will have the responsibility because for three years we have had this wrong inflationary financial policy forced upon us.

I have already said that I believe that up to 1945 this expansionist policy was justified, or at any rate there was a great deal of reason for it, and that we certainly should not come back and try to criticize it. It is since that time that the mistake has been made. Lest anyone should say I am overlooking the fact that the classic corrective of higher interest does cause certain distress, let me say that I am not overlooking that at all. I know it caused certain distress and I know that in the community of today we must take care of that distress. We must see that by allowing what Keynes called the classic medicine to work, we do not disregard those whom it affects. But what I say is if we are to have a bust or anything like a bust because of this policy, twenty times as much distress will be caused as would have been caused by allowing the natural corrective of rising interest rates to work.

Whatever possessed the government, which is pleased with itself and which occasionally has won praise even from others, to get into this situation, I think, like a good many other things, it can be traced to the war mentality. We had order in council government during the war; and what we should remember is that order in council government does not really mean order in council government; it means minister government. It means that the minister gets endorsement of the cabinet, but naturally the minister must make his own

[Mr. Macdonnell (Muskoka-Ontario).]

decision. Therefore we come back to the Department of Finance which for years has had virtually unlimited power and unlimited money. When we came to the end of the war I think it was extremely difficult for them to understand that new circumstances had arisen, and they carried their war controls into peace controls. It is interesting to observe that the war controls on other things have been diminished and in some cases done away with; but the war controls on money are practically the same as they were. Indeed we know that since 1946 they have in certain cases been increased. How long is this going on? Is it going on for ever?

I come now to what is the key or the root of the whole matter, namely, the control of money, of its use and of its supply which goes on through the interest rate. It is another case of arbitrary power which I spoke about the other evening. As a matter of fact, while many people may escape the arbitrary power of the Minister of Trade and Commerce, nobody escapes the arbitrary power of the Department of Finance. It touches everybody. So we are especially interested in this power. The low rate of interest is owing to the fact that the Bank of Canada, by buying bonds in the market, keeps this rate of interest artificially low. They support the market for long-term Dominion of Canada bonds at a price of about $102 when these same bonds are selling in the United States at a discount of about sixteen points below par. I understand that in the United States these bonds are called orphan bonds. Incidentally, this discount is partly due to the utter unreality of the situation here. The truth is that the market for Dominion of Canada bonds in Canada is a sham. The only real buyer on balance is the Bank of Canada. I say it is a sham while the bank persists in maintaining this artificial situation. Those who ordinarily establish the rate, the dealers —and let us bear in mind that they are the very dealers who placed in the hands of hundreds of thousands of Canadians who bought in good faith huge amounts of bonds during the war—now, because of the arbitrary action of the government, have no basis on which they can form a judgment as to the true value of the securities in order to advise their clients.

In other words, as I say, the bond market is a sham, with the Bank of Canada on balance being the only real buyer. How are the dealers to know, under these artificial conditions, when the Bank of Canada is going to take another step, as it did a month ago, to disrupt the market? The step they took a month

ago, when they partly withdrew support, caused the market to fall some two points, which is a violent disruption in ordinary times, I suppose the worst since September, 1939, or perhaps June, 1940. Now as a matter of fact everything is confused; no one knows what the bank is going to do. I noticed that at the annual meeting the other day the governor spoke of what they had done; nevertheless he indicated there was still to be some support. So apparently they allowed this little breath of reality to blow in upon the situation, but now again we are to have support, though no one knows to what extent. In other words the value of bonds in Canada at the present time does not depend, as it always has in the past and as it must again some day in the future, upon the judgment of hundreds of thousands of people buying and selling—because after all there is safety in a multitude of judgments; now it depends upon the judgment of the Department of Finance, the same judgment that made the decision in June, 1946, which so many people now regard as disastrous.

Of course, here as elsewhere one control leads to another. When the bank begins to control the price of Dominion of Canada bonds it finds it cannot stop there but has to step out, so that now, in the case of other financing, the Dominion of Canada has to come to the rescue. Just the other day I am told that in connection with a certain large issue of some $35,000,000 the dealers found, as they are finding in many cases, that there were not enough buyers unless Dominion of Canada bonds could be turned in as the purchase price. So what happened in this case was that fifty to seventy-five per cent of the buyers handed to the dealers as their purchase price Dominion of Canada bonds. The dealers then turned around and sold them, and to whom? They were sold to the only real buyer, the Bank of Canada. So we have reached the point where the Bank of Canada is now not merely underwriting Dominion of Canada bonds but other bonds as well.

It is high time, Mr. Speaker, the people of Canada asked themselves how long this is to go on. How long is the department going to dam back the waters? The longer the flood is held back the greater will be the break; and there will be a break some day, a break which will bring tremendous unsettlement with it if no steps are taken to let it come gradually. In the interests of common sense I appeal to the Minister of Finance to begin to let nature take its course.

My time is running out, and I want to say just a word about the effect of this low interest rate. Of course it strikes a body blow at everyone trying to look after himself, everyone who is trying to save money against his old age. It strikes a body blow against those paying their money to insurance companies. I sometimes wonder whether it is possible that the official mind gets to the point where it does not want independent people, people who think for themselves. I do not know whether it is possible for them to get to the point where they want as many people as possible dependent on the government. Sometimes one almost thinks that must be so.

A moment ago I said that in a multitude of opinions there is wisdom. That is the only way we ever got on. Is there any reason to believe that in one department of government there is enough ability to set itself up against or rather substitute itself for, the common capacity for judgment of those who act together, who proceed by trial and error, making mistakes here and being corrected by other people there and eventually arriving at what is a sound view? That is the only way we can progress, as I suggest it is the only way we have progressed thus far. For what reason do they believe they are always right? They caused a great disturbance a month ago by what they did then. I am not going to go over again the disturbance caused in June 1946 by their embargoes and taxes and penalties and permits, and now our subjection to the decrees of the minister of reconstruction.

I have argued that this peril of inflation is something we cannot disregard. In other countries it has produced indescribable unsettlement; or perhaps "unsettlement" is not strong enough, so I would say it has produced indescribable distress. I said yesterday we here have regarded inflation as something which happened in funny foreign countries, something which could not happen here. Well, I see no reason why it cannot happen here if we do the things which made it happen elsewhere. There is no reason to think that if we act in time we cannot prevent it, but I see no action being taken by the government with that in view. Perhaps I should not say that; some action is being taken. The government has redeemed certain bonds in the last year, but I see no action worthy of the name being mentioned to deal with this situation. Do not let us provide a complete cushion for ourselves by just saying we cannot do anything because of the United States. I know the influence of the United States upon us is very great; nevertheless I was interested to read that after the first war one brave little country, as it was then and I hope still is, that is Czechoslovakia, managed

to preserve its currency by proper measures taken within that country itself, even though it was surrounded by a sea of inflation.

What we need now is wise action by the government, and also moderation and self-restraint on the part of all, because if everyone, capital, labour, agriculture and so on, seeks his own immediate advantage—and I underline the "immediate"—I think there is incredible trouble waiting for us all. I have said more than once that I believe that so far the government has largely failed, and that it is now engaged in obscuring the issue. Someone wonders whether they are hoping that a semi-depression is at hand to cure the situation. But I conclude, Mr. Speaker, by saying that this problem faces us; that I believe we are now on the wrong track; that what we are doing is utterly unreal, and I call upon the government to bring forth real remedies in time.

Mr. D. J. McCUAIG (Maple Creek): Mr. Speaker, I believe the speech from the throne is looked upon as a forecast of government policy and future economic trends. In the present speech from the throne I see no fundamental change from government policy in any other session of this parliament, or any change from the pre-war economy of Canada. It is my opinion that a definite national policy should be on the way, and that the Liberal party has fallen down in the exercise of the powers the people of Canada have placed in its hands. If anything, greed and dissension are more prevalent now than at any other time. The new order the Prime Minister (Mr. Mackenzie King) has spoken of, for which many laid down their lives, is nowhere in sight. The very spirit that spelled the doom of three powerful regimes in the past eight years still prevails and is becoming more intensified every day on this continent of North America, as the austerity program, the McCann income tax witch hunt, as I call it, and the Prime Minister's resolution will testify. The almighty dollar is still uppermost in the minds of men. It takes first place. The greatest of God's handiwork, men, women and children, take second place. Eighty-five per cent of the people of Canada, including the workers and the producers, those who produce the goods which keep us alive, the workers in our mines and forests and factories who make everything we wear and everything we have around us, those who serve the public and look after our needs, get but a small share of that great common heritage available for the use of all mankind. The eighty-five per cent found in those three classes are the salt of the earth; the nation's strength is measured by their welfare.

[Mr. Macdonnell (Muskoka-Ontario).]

It would appear to me that the two great world wars, with all their sacrifice of lives and property, have availed nothing and taught us nothing. But one thing is sure, that we are more enslaved to the great national debt and to the almighty dollar than we ever were before in our lives. The concentration of wealth in the hands of a few and the ever-increasing burden of taxation upon the working people violate every aspect of common interest among men.

It is becoming more apparent to me as time goes by that, if it has the welfare of the people at heart, the government will have to regard seriously the fact that the present economic policy does not take care of the interests of the majority of the Canadian people, and that the men who own and control our natural resources, our transportation systems and our financial structure hold the destinies of every soul in Canada in the hollows of their hands. These people defy government, and something will have to be done about it. With them, scarcity, lower costs and higher prices come first; the needs of the people second. They turn the key in the lock and they defy the government, as they did in connection with wartime contracts—costs plus five per cent. The British Columbia legislature had a taste of this when a ceiling was placed on the price of oil products. The oil concerns cut off supplies and sat back. There is no longer such a thing as competition among those big fellows. They are a brotherhood of exploiters, taking all that the traffic will bear, all the time. They defy governments and get away with it.

The things I see happening around me every day while sitting in parliament almost lead me to believe that the government ministers are part and parcel of the racket. Or perhaps they belong to the same school and do not know any better. Their world is a world of flat-top desks, adding machines and typewriters. They never rub shoulders with the realities of life and simply do not realize the struggles of the home builder or the very important part he plays in the building of the nation.

Mr. SINCLAIR: Why don't you stop reading the manuscript written by Dave Lewis?

Mr. ARCHIBALD: If you wish to say something, get up and try it.

Mr. BENTLEY: It is smarter than anything you ever did.

Mr. SINCLAIR: Mr. Speaker, I respectfully submit that if the hon. member is going to abuse cabinet ministers and members on this side of the house, he should at least do it

from his own thoughts and not from a prepared manuscript such as he has been reading since he began to speak.

Mr. FRASER: The Minister of Mines and Resources (Mr. Glen) read all of his yesterday.

Mr. SINCLAIR: Why did you not object, then?

Mr. ARCHIBALD: Did you see the Minister of Mines and Resources reading his speech yesterday?

Mr. SINCLAIR: Why did you not object?

Mr. BENTLEY: Fine sports over there!

Mr. SPEAKER: I call the attention of the hon. member to the fact that it is against the rules of the house to read his speech.

Mr. HOMUTH: He is using copious notes.

Mr. McCUAIG: I thank you, Mr. Speaker; I shall do the best I can.

Mr. SPEAKER: Order; I must call the attention of the hon. member for Waterloo South (Mr. Homuth) to the fact that neither is it in order to smoke in the chamber.

Mr. HOMUTH: I humbly apologize. I wanted to speak to the hon. member for Muskoka-Ontario (Mr. Macdonnell) before going to a committee meeting, and had forgotten that I was smoking. I assure Your Honour my breach of the rules was inadvertent.

Mr. McCUAIG: Good homes and healthy families are the foundation of the nation. Can any man stand in parliament and say that we are not far behind in these things? Hon. members of the C.C.F. have repeatedly asked the government to continue wartime economies, or at least until such time as parity is reached between production and wages. The more scientific method has never been even attempted by the government. The whole economy of Canada has been thrown back into the lap of monopolistic institutions. The government should have known better. Those institutions have used this privilege both before and during the war, and parliament is well aware of what has gone on since that time. Those institutions—

Mr. SINCLAIR: You lost your place, did you?

Mr. McCUAIG: No one knows this better than the Prime Minister, who has said this:

> The war has shown us that the way of monopoly, of unrestricted power, is a way that leads to destruction, desolation and death.

Those are the Prime Minister's words as they appear in his speech delivered before the convention of the American Federation of Labor at Toronto on October 9, 1942.

The Prime Minister said this further, as reported in the press:

> I do not believe you can settle the labour question, the question of the relation of capital and labour, until you give the man who invests his life in industry the same say in control as you give the man who invests his money.

Those are the Prime Minister's words as reported in the Regina *Leader-Post* of October 10. 1935. The Prime Minister knows the score. And if all the things he had in mind are contained in his resolution of January, 1948, I shall be one of the most pleased men in parliament.

Let me repeat that if ever Canada is to become a prosperous and wealthy country, a more equitable distribution of wealth will have to be made. Certainly we do not have that equitable distribution in Canada today. The best evidence of this is found in the words of the Minister of Finance (Mr. Abbott), as they appear in his budget address of 1947. This was what the minister said:

> The exemption levels established last year are high enough to exempt completely from tax more than half the people earning incomes in Canada.

This is on the basis of $750 for a single man and $1,500 for a married man. If this shows anything it is that more than half the people of Canada, our producers, our workers and those who provide service for the public, are getting less than $750 a year. Over half of our population of workers are receiving less than the minimum required for personal and living expenses in 1944, according to the Toronto Welfare Council. In that year they set the figure at $1,850 and today it is close to $2,300. There is nothing left to build houses, to educate children and to provide for old age. The moment a married man gets above that figure it is taxed away from him. He can never build a modern house on what is left of $1,500; it is all taken up by his living expenses. It is only by our people having good homes and good health that we can become a nation with economic security.

I earnestly ask the government to raise the income tax exemptions to $1,000 for a single person and $2,500 for a married person. I am sure that if that question was put to the people's representatives in this parliament it would be carried on all sides. When it comes to a real issue like this, democracy does not work. Parliament is powerless.

I should like to deal now with agriculture, the most important industry in Canada. The weal or woe of agriculture affects every industry and every person in Canada. The Minister of Agriculture (Mr. Gardiner) has taken a lot of credit for the wheat agreements,

and I am willing to let him have all the credit he deserves for what he put into the four-year agreement with the United Kingdom and the five-year agreement between the producers and the government. For a long time the producers, through their organizations, have been asking for stabilized prices for farm products and that the wheat board should market all grain. In my opinion the stabilized wheat price that has been provided carries with it too great a sacrifice in price. It amounts to a direct tax on the farmers or the wheat growers amounting to millions of dollars.

I claim to be a practical farmer; I am not a speech maker. I learned the hard way. As I say, agriculture is the most important industry in Canada but it has never been treated as such. The government's attitude toward the farmer, the tiller of the soil, has been one of contempt and discrimination.

Some hon. MEMBERS: No.

An hon. MEMBER: Protection and subsidies.

An hon. MEMBER: No margarine.

Mr. McCUAIG: I leave all that to hon. gentlemen over there. In the depression of the early thirties agriculture took the worst beating of any industry or business in Canada. I am speaking mainly of Saskatchewan, of which I know the most. Wheat went down to 19 cents a bushel for No. 1 at the local shipping point.

Mr. GRANT: That was the Tories.

Mr. McCUAIG: What about 1935 and 1936 when the Liberals were in power? The price received for coarse grains would not pay the cost of harvesting, threshing and hauling, to say nothing of operating costs, repairs and depreciation. In 1936 and 1937 there was no market for stock. The government bought carloads, even trainloads at one and two cents per pound and shipped them to the packers and later on the public paid plenty for that stuff. The farmers' co-operative abattoir at Saskatoon was bypassed, it got none of that business. I contend that the government discriminated against that co-operative and was responsible in a large measure for its going under. The government's friends, the packers, did very well, but under that kind of economy the farmers went broke and were faced with an ever-increasing burden of debt. I should like to put on the record the details of how the government came to the aid of Canada's No. 1 industry. I have in my hand a food schedule which reads as follows:

Bureau of Labour and Public Welfare

—

Food Schedule
Local Improvement Districts
Rural Municipalities
Villages

—

Maximum food allowance for one month

1 person	$ 6.40
2 persons	10.30
3 persons	12.40
4 persons	14.50
5 persons	16.50
6 persons	18.50
7 persons	20.50
8 persons	22.50
9 persons	24.50
10 persons	26.50
11 persons	28.00
12 persons	29.50

That is dated September 1, 1936. The amount provided for 20 persons is $38.40 or $1.922 per person per month. Then there is another statement which is underlined and which reads:

Important

Instructions to secretary-treasurer

1. If applicant has meat, deduct 15 per cent; dairy products 10 per cent; vegetables 10 per cent.

2. Secretaries should carefully check prices charged by merchants to see that only fair and just prices are being charged for commodities provided under food schedule.

We had short crops in 1936 and 1937. According to the dominion bureau of statistics in 1936, crop district 3 yielded 4·4 bushels per acre while crop district 4 yielded 1·2 bushels per acre. In 1937 crop district 3 yielded 0·2 bushels per acre and crop district 4, 0·1 bushels per acre. There were practically no crops in those districts in those two years. There were conditions existing in those years over which the farmer had no control, but his expenses went on just the same. In the spring of 1938 the farmers had to get seed to sow their crop. The wheat board still had wheat in the local elevators. It was government wheat, bought at low prices, and it could have been supplied to municipalities for seed at cost, plus handling charges. But that was too simple a way to do business. The wheat board and the grain exchange could function in 1938, the wheat board taking delivery of wheat when the price dropped below 70 cents f.o.b. the lakehead. That would be 50 cents at the local point. Naturally the grain exchange operated only when wheat went above 70 cents at the lakehead; but the two

short crops started gamblers speculating and in February and March, 1938, wheat went up to $1.40 on the Winnipeg grain exchange, and the farmers had to pay $1.42 for their 1938 seed. It was purely a speculative market. I would say it was a deal between the government and the gamblers to impoverish a little more the already down and broke farmers, because in June, 1938, before some of that seed was even up, wheat was back in the 50's at the local points.

I should like to make this observation. In 1942 a delegation of 400 farmers came to Ottawa with a petition signed by 185,000 farmers asking the government to raise the price of wheat from 70 cents at the lakehead to $1. The government saw fit to raise the price to only 90 cents; and it stayed at 90 cents until September 27, 1943, and then wheat went up. On the open market and on the Winnipeg grain exchange it went up to $1.35. Then the government stepped in and closed the Winnipeg grain exchange and put a ceiling price of $1.25 a bushel on wheat. I want to make this point. In 1938 when the farmers had to buy seed, in other words were in the market to buy wheat, wheat went up to $1.45 on the Winnipeg grain exchange. The government went along with them. They did not put a ceiling price on then. The government went along with the grain exchange and charged the farmers $1.42 for the seed.

In 1943, as I said, wheat went up to $1.35, and for the first time the farmers had a chance to make something on their wheat, but the government put a ceiling on it. That is the way the government dealt with the farmers.

Hon. members have heard about the 1938 wheat scandal. When the C.C.F. got into power in Saskatchewan the first thing they did was to cancel on their own responsibility 50 per cent of the 1938 seed debt, knowing, as they did, the practical side of this business and the ordeal that the farmers had come through, and they asked the federal government to cancel the other 50 per cent. Did the federal government do that? No, they did not. They held on to the last cent with five per cent interest, and are still trying to collect, and have collected up to now, 100 per cent on this seed grain debt. Let me say further that this same government are still holding out for a 1914 seed grain debt on grain that was delivered from 1914 to 1923. Ninety per cent of the original recipients have gone, but they are still trying to squeeze it out of somebody else.

Compare this treatment with the hand-outs given to the big fellows, the manufacturers, transportation companies and finance companies, steel subsidies of millions of dollars, coal subsidies, aluminum subsidies, oil subsidies, farm machinery subsidies, and so forth. The manufacturers of farm machinery were permitted to raise their prices 12½ per cent at a time when their financial statements showed that they were making good money. A subsidy of $400,000 was given to the people who had a monopoly on bathtubs and toilet fixtures; a $60,000,000 loan to the C.P.R. was guaranteed by the government; subsidies were given to the gold mines and millions of dollars were given to the financial institutions through the issuing of currency privileges. The wheat deal was made with the same kind of discrimination, absolutely without soul, and I would say without human consideration. First the government took approximately 320 million bushels of wheat through the wheat board and sold it to the Canadian domestic trade for $1.25 a bushel, or 30 cents a bushel under the export price of $1.55.

If Canadian consumers should have cheap wheat then let all of Canada pay for it, and not make it a direct tax on the producer, which actually amounted to $300 on every 1,000 bushels of the 320 million bushels sold to the domestic users in Canada, who are the millers, the feeders and the distillers. The same thing can be said with regard to the deal with the United Kingdom. In the years 1946 and 1947 the government sold 160 million bushels in each year, or a total of 320 million bushels, to the United Kingdom at a price of $1.55 a bushel. This was well over $1 a bushel below the world price, because the world price had risen to $3.35 a bushel on the outside markets. If the United Kingdom was to have cheap wheat, again I say that all of Canada should provide it. It should not be a direct tax on the farmer and the wheat grower who pays all other taxes, a direct tax of $1,000 on every thousand bushels sold to the United Kingdom. What do you call that?—confiscation, taking it directly from the farmers? We hear about dictatorship in Russia. What would you call this?

I want to go back to the income tax business. I have reviewed the low prices and the crop failures through the thirties, and the discrimination in wheat prices. The farmer piled up a debt of operating costs and depreciation, losses on farm machinery, car and truck, unpaid interest on bank borrowings and mortgages, insurance, oil bills, store bills, doctors and hospitals, and back taxes. He got a crop in 1942. The proceeds of that crop have long been spent. It was not his money.

It was trust money belonging to the men who trusted him and carried him over the bad years, through bad conditions over which he had no control. But what happens? When he sells his 1942 crop he is told that he can deduct only the current operating expenses for income tax purposes; that none of his previous losses, operating losses, depreciation, or any other expenses of the low crop and the low price years can be carried forward.

I would ask the Minister of National Revenue to make a statement on the floor of this house to justify such a policy towards the farmer. I would ask him to name any other industry in Canada which has been dealt with in the same way.

Then the Minister of National Revenue comes along with his income tax guide and income tax form. I contend that not ten per cent of the farmers can fill out this form without help. I object to such questions. In plain farmers' language it means this: "How much money have you in your pocket? How much have you hidden away? What kind of stocks and bonds have you? Name them."

I have received letters from many farmers. I have here a letter from a farmer in my own constituency. It is first-hand evidence and I would like to read it:

Dear Sir:

No doubt you have already seen the new income tax forms T-1 prairie farmers 1947, and if not it will do you good to have a look at one soon. Most farmers thought that the old forms were complicated enough, but that was before the minister came out with this new masterpiece incorporating a quiz contest and a nightmare.

They require a complete opening and closing inventory for the year 1947. This information was not required before this and very few farmers if any will be able to go back a year and give an accurate and correct account of all grains on hand and the disposition thereof for the full year, including the exact numbers of bushels used for seed, feed, etc., number of bushels on hand at beginning and end of year, and it asks you to place a valuation on it all. I would suggest that the farmers engage the services of a teacup reader to determine what will be required of us next year so that we will not be again caught in a similar predicament, and perhaps a crystal gazer will be able to tell us too what amounts of grains we will require for seed and feed out of grains on hand. It wants to have you state separately the number of bushels of grain held for sale and for seed, and place a value on it. This will be rather tricky, as five days ago a bushel of barley was worth roughly 15 or 20 per cent more than at present, and what price basis are we to use in valuing it? At present few farmers have completed their seeding plans, largely due to the failure of our government in establishing a stable market for all farm produce, and especially coarse grains, yet the income tax department expects us to state the number of bushels and the value of it, of all grains we will be using for seed and feed for the entire year ahead, as well as for the past year.

I am surprised that our farm organizations have not taken this up already, as this is one thing that should be corrected and soon.

I am not capable of expressing myself well enough to do this thing justice, but I wish you would do what you can to have this mathematician's nightmare simplified.

This is a sample of the letters I have received. Many farmers are up in the air about the whole approach to the income tax situation as set out in this income tax form, and I hope that something will be done to provide a more workable one. If this procedure gets going in the west it will take more than inspectors to handle it.

On page 6 of "The Farmers' Income Tax Guide", prepared by the Minister of National Revenue, you will find the following questions and answers:

Question: What is farm income? On what theory is it worked out?

The answer is:

There is a great mass of laws about income, and an answer which will meet all varieties of cases is not a simple matter. However, in general, it is the difference between the annual receipts from all the work done on the farm and the expenses of doing the work. Personal and living expenses of the farmer's family cannot be included as expenses.

All the work done on the farm! All the garden work, milking cows, feeding calves, feeding pigs, chickens, and a dozen other jobs—all this is done before breakfast and after supper by the farmer and his family. It is not a matter of an eight hour day. It is a matter of putting in the hours that will get the work done, and no allowance is made for this. This shows how impractical the Minister of National Revenue is in making these laws.

The coarse grain received about the same treatment. When sixty per cent or more of the coarse grains were marketed the government took the ceiling off. The grain exchange took over, and overnight these fellows made more money than the farmers did in the whole year. The farmer took it for granted that the government would not change their policy.

The ACTING SPEAKER (Mr. Golding): Order. The hon. member's time has expired.

Some hon. MEMBERS: Go on.

Mr. McCUAIG: Have I consent?

The ACTING SPEAKER (Mr. Golding): The hon. member may continue only with the permission of the house.

An hon. MEMBER: He has it.

Mr. McCUAIG: May I ask the Minister of Agriculture and the member for Rosthern this question: Who is going to reimburse the farmers for this loss on coarse grains? When will it be done, and how?

The stockmen got the same kind of deal. First, without warning, the subsidy was taken off, and then ceilings. The farmers found themselves in a business that did not pay. Young pigs went down to $1 or even fifty cents each. The farmers shipped all their breeding stock, pigs in all conditions, to the market, and as soon as this was done we heard that the price of pork and livestock had gone up, but too late for the farmers to take any advantage of this. It seemed to me that this was an organized deal. According to one report I heard, the abattoirs, the packers, made $10,000,000 on the quantity of stock they had at the old prices.

Mr. NORMAN JAQUES (Wetaskiwin): Mr. Speaker, during the time at my disposal this afternoon I intend to discuss external affairs, first, because I happen to be a member of the committee on external affairs; second, because the house seldom, if ever, has the opportunity of discussing external affairs; third, because of certain developments which are taking place in the world today, and last, because of a statement that was made by the Prime Minister (Mr. Mackenzie King) just before this house met after the Christmas adjournment. According to the press report on January 20, the Prime Minister is reported as follows:

> The world was in an "appallingly dangerous condition" today. "Let us not speak of having entered upon an era of peace," Mr. King warned, "where all about us are evidences of strife."

Then the day before yesterday the leader of the C.C.F. party directed a question to the Secretary of State for External Affairs (Mr. St. Laurent) in these words, as reported at page 1282 of *Hansard*:

> In view of the grave warning by the Palestine commission to the security council yesterday that " tragic and dangerous precedent" will be established if force or the threat of force is allowed to thwart the decision of the united nations, is the government prepared to accept its share of responsibility in such action as may be taken by the security council with the view to averting further bloodshed in Palestine and implementing the assembly decision?

I do not intend to read the answer made by the minister; neither shall I attempt to interpret it. But apparently it has caused speculation in the press. If, as some people seem to think, it means that Canada is to be committed to armed intervention in Palestine, I wish to put on record at this time the fact that I am absolutely opposed to it. May I refer to a speech that I made in this house two years ago last December. On December 17, 1945, speaking on external affairs, I said, as reported at page 3706 of *Hansard*:

> I have no brief for either Arabs or Jews—

I should have said "Zionists" there.

> —but it seems to me that the public hears only the Zionist arguments, never the Arab side of the question. As I have said, I have no brief for either side; my sole concern is to establish the truth, for just as truth and freedom are indivisible, so mutual faith in the given word is the basis of friendship, individual and international. Once that faith is destroyed or even impaired, trust and friendship turn to suspicion and hatred. But instead of historic fact, the Zionists base their case on racial, cultural and commercial superiority. These claims on behalf of a favoured nation and a chosen people are upheld especially by leftists and internationalists, by the very people who denounce racism and nationalism. They also are the people who claim especially to be the world's peacemakers but who, in the face of continued and fatal rioting in Palestine, are going out of their way to embarrass Great Britain in her efforts to maintain peace by encouraging tolerance by both Arab and Jew.

Then a little later on in my speech I said:

> Quite recently it was reported that the national leader of the C.C.F. at a public meeting in Washington, "urged the immediate opening of Palestine for Jewish immigration to the fullest possible extent so as to provide a refuge from the terror of their persecutors." In the light of the present critical conditions in Palestine, I would ask the leader of the C.C.F.: Can he assure us in making those demands that he is promoting the interests of world peace? Does he realize that such demands are calculated to embarrass Great Britain and if insisted on may lead to a clash of interests between the British empire, the United States of America and the U.S.S.R.? In the event of war in Palestine and the near east, is he prepared to commit Canadians to active service in such a war? If not, whom would he expect to fight it?

Those are the words I spoke here two years ago last December, I think subsequent events have justified what I then said. The question of partition is the one question which has come before the UNO upon which Russia is in agreement.

Mr. HARRIS (Grey-Bruce): That is not so.

Mr. JAQUES: I think that is a significant fact. On the other hand the British government—and I am not going to quote the exact words—made it plain enough that they are against partition. They are against the use of force and they are not in agreement with any settlement which involves the use of force. I cannot help wondering why it was that this government should have taken sides against the British government.

Mr. HARTT: Thirty-three other nations did so.

Mr. JAQUES: Well, I may come to that later on. I am making the statement that the British government—who have in all probability forgotten more about Palestine and the near east than all the rest of the nations put together—have refused to be a party to this partition.

Mr. HARTT: Certainly. They wanted Arab oil. It is oil, not Arabs. That is what it means. It is not the principle; it is the oil.

Mr. BROOKS: The United States wants votes.

Mr. JAQUES: I do not want to be personal, and I am not making a political speech. I do not even know that I have the agreement of everyone in this corner of the house. I was going to say that it does strike me as odd that the leaders of the C.C.F. were prompt enough to hail the labour victory in Great Britain as a victory for the C.C.F., but why is it that after two years or so of labour government in Great Britain the C.C.F. now are backing the policies of capitalist United States and are opposed to the foreign policies of the labour government of Great Britain? I think that is a good question.

Mr. KNOWLES: Would the hon. member permit a question?

Mr. JAQUES: Well, I have quite a lot to get through, but all right.

Mr. KNOWLES: It is a very short question. Is the hon. member aware of the fact that there is now before the world a decision taken by the united nations, and that it was in support of this decision that the leader of this group asked his question the other day?

Mr. JAQUES: Yes, but my point is that before the decision was taken the British had no support, as far as I know, from either the government of this country or the C.C.F. party; and as far as Canadians themselves are concerned, according to a recent Gallup poll, while some fifty per cent of the people expressed no opinion, only nineteen per cent expressed sympathy with the Zionist cause. It was stated in the press that when the minister gave his answer yesterday there was applause from all corners of the house. Well, I wish it to be understood that I did not add to the applause; and I must say it was about the loudest silence I have heard for a long time. It must have been in a corner, because I heard very little of it. I do not wish to pose as an expert on this question, but I intend to put on record opinions which have been published by eminent Jews in the United States. I have been accused of anti-semitism and racial extremism because of my stand on this Palestine question. So I am going to put on record the statements of two American Zionists one of whom, Albert Kahn, visited this country a year ago and addressed a series of meetings. I take this short quotation from the press of that time. He said "the British in Palestine were worse than the nazis and should be driven into the sea". "Anti-semitism and fascism were raging in North America", and "the Jews must look to the Soviet Union for protection through the labour unions". I should say that is a libel on the majority of Jews.

I have here a copy of *PM* which I bought when I was in New York a year ago, containing an advertisement written by Ben Hecht, who is certainly a nationally known Zionist. I am not going to read it all, but it contains these words:

> Every time you blow up a British arsenal, or wreck a British jail, or send a British railroad train sky high, or rob a British bank or let go with your guns and bombs at the British betrayers and invaders of your homeland, the Jews of America make a little holiday in their hearts.

I say that is another libel on the majority of Jews; but certainly Mr. Hecht is a Zionist and a very strong one. That, I should say, is an example of racial extremism. Now I have a page out of *National Affairs;* I have not the date, but it was some time last summer. It bears a photograph, under which there is the title "U.S. Zionist in action." This Zionist is busy writing on the wall of the British consulate in New York the words "British following the nazis" and then painting the swastika on the building, and this occurred in other cities as well. That is another example, I would say, of racial extremism.

Let me now quote the words of one who was highly respected and eminent among the Jews in the United States, though he is dead now. I refer to the late Henry Morgenthau, senior. In his autobiography "All in a Lifetime", Mr. Morgenthau devoted a chapter to this question of political Zionism. He said:

> Zionism is the most stupendous fallacy in Jewish history. I assert that it is wrong in principle and impossible of realization; that it is unsound in its economics, fantastical in its politics, and sterile in its spiritual ideals. . . . The very fervour of my feeling for the oppressed of every race and every land, especially for the Jews, those of my own blood and faith, to whom I am bound by every tender tie, impels me to fight with all the greater force against this scheme, which my intelligence tells me can only lead them deeper into the mire of the past, while it professes to be leading them to the heights. Zionism is a surrender, not a solution. It is a retrogression into the blackest error, and not progress toward the light. I will go further, and say that it is a betrayal; it is an eastern European proposal, fathered in this

country by American Jews, which, if it were to succeed, would cost the Jews of America most that they have gained in liberty, equality and fraternity.

Mr. BLACKMORE: Would the hon. member say what he is quoting from?

Mr. JAQUES: I thought I had done so. It was from Mr. Morgenthau's autobiography "All in a Lifetime." I tried to get it in the library but apparently they do not have it, though they promised to get a copy.

Now I come to the opinion of Mr. Benjamin Freedman, who is still living, of course, and who is an eminent Jew in the United States. He wrote an article which was published by the national economic council, incorporated, 350 Fifth avenue, New York; and this letter is dated October 15, 1947. This is what Mr. Freedman says on this question:

> The threat of political Zionism to the welfare and security of America is little realized. It is a dangerous mistake to think of it as a localized, Arab-Jewish struggle. There may soon take place in Palestine an explosion that will set off another world war. Every American citizen, every head of a family, all members of Christian churches, every non-Zionist Jew, should be brought to understand that the consequences can be fatally disastrous.
>
> The influence of the Zionist organization reaches into the inner policy-making groups of nearly every government in the world—particularly into the Christian west. This influence causes these groups to adopt pro-Zionist policies which are often in conflict with the real interests of the peoples they govern.

And further:

> This utterly immoral and unjust policy is producing an unanticipated result. An explosion is brewing and, as it approaches, Christian supporters of Zionism in our government—

That was the United States government, of course—

> —are almost panic-stricken. Yet they fear to reverse their position lest the democratic party be stigmatized by Zionists as "anti-semitic".

Then he adds that the next election is only a year away. Mr. Freedman then goes on to say:

> The ability of Zionists to have things their way stems from the organized pressure they can bring upon people who do not agree with them. By holding the threat of being called "anti-semitic" over men engaged in public or business life, they have been able to stifle opposition—even among American Jews such as the writer, who have no interest in forming a Jewish state and wish only to live and die as good Americans. It will take courage for Americans of whatever origin to think these facts through and take public positions upon them. They will be smeared. They will be slandered. Already, Zionists have been able to bring about the economic ruin of many Christians and Jews who have dared challenge their right to claim Palestine for a national Jewish state. But America and American Christianity stand at a crossroad. The majority must decide whether it will longer submit to being the tool of a small but ruthless and unscrupulous minority of a minority people. The great majority of American Jews also must choose. Will we all acquiesce in the program of political Zionism? Will we follow it out to its inescapable consequences?
>
> If we do, we shall be walking the road to ruin.

I could speak with sympathy and from personal experience as to the truth of what Mr. Freedman says about the smear of anti-semitism raised against those who are opposed to the policy of political Zionism. One reason I am speaking here this afternoon is that I have been refused space in the press. Only last week I wrote a broadcast which consisted chiefly of the quotations I have just placed on record. That broadcast was to have been given last Sunday in Edmonton. However I received a letter yesterday to say that the station refused to broadcast it.

Mr. SINCLAIR: Is that from the Canadian Broadcasting Corporation?

Mr. JAQUES: I do not know the inner workings of radio. This was station CJCA in Edmonton, a private station. However, I should think the Canadian Broadcasting Corporation would be even less tolerant.

Mr. SINCLAIR: Oh, no.

Mr. JAQUES: That is my opinion of the C.B.C.

Mr. HARTT: They have a little bit of sanity; they are not all insane.

Mr. BLACKMORE: Maybe that is why they will not let it go over the air.

Mr. HARTT: Because they are sane.

Mr. BLACKMORE: Because they know that their bread is buttered on the right side.

Mr. JAQUES: I am sorry I have to refer to quotations this afternoon, but certain things have already been said or published. The statement to which I shall now refer concerns me personally, so I have no option but to call it to the attention of the house. This was published in an Ottawa paper on December 16, 1947, and states:

> Norman Jaques, Social Credit member of parliament for Wetaskiwin, informed that his writings have been banned temporarily from the *Canadian Social Crediter*, a party newspaper published weekly in Edmonton, said today: "It is exactly what the communists say."
>
> He declined to comment further.
>
> Gordon Taylor, managing editor of the newspaper, official organ of the National Social Credit Association of Canada, said Saturday the ban on Mr. Jaques' writings will remain in effect as long as Mr. Jaques persists in what Mr. Taylor called an "anti-isms" attitude. He referred particularly to what he said was Mr. Jaques' "anti-semitic attitude".

I can only suppose there is a misunderstanding there. As I have said before in the house and outside it, my attitude is not one of anti-semitism; it is one of anti-political Zionism, because for many years I have seen where it was leading. And the situation today in Palestine and the near east is surely a justification for the stand I have taken in the past.

There are two statements that I should like to quote, which were published in the *Canadian Jewish Chronicle,* which a Jewish acquaintance sends to me. One is dated Ottawa, January 9, 1948 and reads:

Leaders of the Social Credit party have finally announced a ban on the publication of anti-semitic articles in the organization's official organ, following conferences with Joseph H. Fine, chairman of the public relations committee of the Canadian Jewish congress.

In addition to the ban, party leaders forced the resignation of the editor and assistant editor of the publication, *Social Crediter.* Chiefly affected by the new policy will be Norman Jaques, Social Credit member of parliament, who has been using the magazine as one of his platforms for anti-semitic propaganda.

I want to say here that is the statement of the editors of the *Canadian Jewish Chronicle.* It is part of the smear campaign. My other quotation from the *Canadian Jewish Chronicle* concerns a distinguished man, the Right Hon. Ernest Bevin, minister of foreign affairs in the British labour government. This quotation is dated Jerusalem and is from the issue of February 13, 1948. It reads:

The name of Britain's foreign secretary Ernest Bevin has been vigorously cheered of late at meetings of the Mosleyite fascist fringe although the mention of any of his colleagues in the labour cabinet draws equally vigorous boos, Arich Gelblum, correspondent of the Hebrew daily *Haaretz* reports from London. Mr. Gelblum, one of Palestine's most reliable reporters with excellent contacts in Britain, says that intellectuals of the Labour party believe that in the event of a personal defeat in the Labour party, it is possible that the present foreign secretary will bolt his party and become the "fuehrer" of a new British fascist party in uneducated, discontended labour ranks for whom he holds a strong appeal.

According to these circles Bevin possesses some of the prime requisites for becoming the leader of a "nationalist" mass movement. He hates Jews, mocks Labourite intellectuals, some of whom are Jews, and enjoys an ever-growing popularity among those sections of the British labour who share his dislike of the intellectuals. Mr. Gelblum, who has spoken with top leaders of the British Labour party, says that in private conversation Bevin says frankly that he believes in the protocols of Zion, the notorious forgery used by anti-semitic fanatics all over the world as proof of a "Jewish world conspiracy," that Hitler was right as far as the Jews were concerned and that Jewish aspirations for statehood must be destroyed.

[Mr. Jaques.]

I am in good company. That is a fair sample of political Zionist smearing of those who dare to take a stand against their plans. Of course Mr. Bevin does not need me to defend him, but if that is not libel I do not know what is. Is that not calculated to stir up hatred among people?

Mr. LOW: It is anti-English.

Mr. JAQUES: It is designed to stir up ill feeling among the people of Canada, the United States and Great Britain. I repeat what Freedman said:

The ability of Zionists to have things their way stems from the organized pressure they can bring upon people who do not agree with them. By holding the threat of being called "anti-semitic" over men engaged in public or business life, they have been able to stifle opposition—even among American Jews such as the writer, who have no interest in forming a Jewish state.

Then I should like to quote from the official report of a communist convention which was held in Edmonton a year ago last November, as follows:

Social Credit government and movement cannot be called fascist (anti-communist). But strong pro-fascist (anti-communist) wing of Jaques, Bourcier and some others, who control C.S.C. which carries most vicious type anti-communist, anti-socialist, anti-soviet, and anti-Jewish propaganda. "We" should find means to bring us to Social Credit rank and file as friends . . . We must single out the reactionary pro-fascist group for unrelenting attack, must expose failure of Social Credit government to meet needs of people.

That agrees with the statements of the political Zionists.

And again:

The mayor of Edmonton, H. D. Ainlay, appeared at our opening session, and welcomed delegates to city. Ainlay nominee Civic Dem. Alliance, leftist inclined, or courting L.P.P. for votes, rather surprising he should officially give public blessing to our small party.

It is not surprising at all when you understand that Mr. Ainlay refused to be present at a dinner held by the Canadian Arab league. I quote the words of Mr. Freedman:

Soviet communism will succeed in its attempt to conquer the world in direct proportion to the support which America gives zionism. This may sound startling, but it is grimly true.

That is part of a letter to the economic council from which I quoted before. The statement that political Zionists have the support of communists in this country and in the United States is endorsed by the fact that the partition is supported by Russia, the first and only proposal that Russia has supported. The reason for that is obvious. If a united nations force is sent to Palestine it will include a Red army. Once the Red

army is in Palestine I should like to know by whom and how it will be sent back whence it came. What is the good of trying to hold the line in Greece when it is opened wide in Palestine? I would think Palestine is much more important than Greece because it forms a bridge between Europe, Asia and Africa. I I do not wish to say more at this time because I hope the house will have an opportunity to discuss this question before a Canadian army goes there and before we are committed to war. An eminent United States columnist who has had considerable experience, who has a good reputation to maintain, said the other day that Armageddon will start the instant the British leave Palestine. I want to register my complete opposition to this policy to which apparently this country has been committed, and hope that something will be done so that we may avoid the terrible consequences of it.

Mr. HARRIS (Grey-Bruce): Will the hon. member permit a question before he concludes? I ask for the information and not for any wisecracking purposes. He made a statement that our policy was undoubtedly different from British policy. I think he went so far as to say that British policy was in opposition to the decision on Palestine. The reason given by the hon. member was that they said they would have nothing to do with it. My question is: what authority has the hon. member for saying that that is British policy?

Mr. JAQUES: Well, I have no official authority, of course, only what I have read in the press and in statements made by British ministers in the British house. As I understand it, the British are opposed to partition. They oppose any solution which is not acceptable to both Arab and Zionist, and they would be opposed to any solution which would need the use of force to implement it. That is what I understand.

Mr. HARRIS (Grey-Bruce): I wish the hon. member would quote me one declaration of British policy opposing partition, other than the statement he has just made.

Mr. JAQUES: I have not the statement with me but I shall be glad to oblige the hon. member at the first opportunity.

Mr. HARTT: May I ask this question: is it not true that it was the British government which submitted the Palestinian question voluntarily to the united nations?

Mr. JAQUES: I understand that is the fact. I did not deny that. All I said was that they are not willing to take part in the partition of Palestine, or in any other solution which will need the use of force.

Mr. J. T. RICHARD (Ottawa East): Mr. Speaker, I would be remiss in my duties as a member from this corner of the house were I not also to offer my most sincere congratulations to the mover and the seconder of the address on the excellent manner in which they carried out their duties.

At the outset I should like to remind this house that, whatever so-called privation or hardship we may find at present, we are still in this country living under the most favoured and privileged conditions in the world. It is well to remember, and always to keep in mind this fact, that having gone through the most devastating war in history, in the face of the misery and suffering which exist in Europe and Asia, and will exist for years to come, our problems are not those of a starving nation trying to rebuild its cities and rehabilitate its people in the midst of internal strife and revolution; but rather problems of adjustment of conditions of living to allow us to maintain a standard which has been very high indeed.

There are a number of problems facing us, problems relating to social welfare, wages and prices. I do not want to deal with all these; in particular I shall mention some only briefly and deal more particularly perhaps with conditions in the civil service. However, I should like to say that the present government, mindful of its responsibilities, has done more than any other to promote the social welfare of its people; labour laws, old age pensions, unemployment insurance, family allowances, to name but a few, are social laws sponsored by past Liberal governments. But other projects are waiting completion, and legislation may be introduced on them in the near future. These may include health insurance, assistance to the physically disabled, and amendments to the Old Age Pensions Act to provide proper security at an age below seventy on a contributory basis or otherwise. How soon may, of course, depend on the co-operation of certain provinces. It is well to keep in mind that if Ontario and Quebec had co-operated more closely in the past few years with other provinces and the federal government, these plans for the improvement of the conditions of living of necessitous or disabled people might now be in effect. The same provinces which are depriving their people at present of the benefits of tax agreements entered into between the federal and seven provincial governments are delaying the whole program of

advanced social legislation for the whole country. It is high time indeed that something should be done to change the attitude of those provinces.

If I had spoken earlier, Mr. Speaker, I might have said something with regard to prices. However, in view of the fact that this matter is before a committee I shall have to confine my remarks to those of a general nature. The policy of the government, as announced from time to time, has been to allow private enterprise to resume business in the normal course after the war, unfettered by regulations and bounds which tend to discourage the initiative of the individual. But at all times also it has coupled its announcement with a warning that if undue advantage was taken of this relaxation of controls and the public was exploited or made to suffer, these regulations and controls would be reimposed.

Some time ago the Secretary of State for External Affairs (Mr. St. Laurent) announced that this government intended to take action against profiteers. This will greatly relieve the average Canadian wage earner who has had real cause to complain of late of the excessive prices charged for staple commodities in the face of exorbitant profits made by corporations. The government has been patient with these people but must act now. I believe that the prices committee is a step in the right direction.

However, before leaving the question of controls, I should like to bring to the attention of the house conditions which exist with regard to commercial rents. I strongly urge the government to consider its position with respect to commercial rents. If controls are left off altogether at the end of March many of the smaller business people are bound to suffer. At the present time landlords in this very city are asking increases of from 200 to 400 per cent, and those who suffer are not those who are able to pay, but the small businessman, the druggist, the shoemaker, the garage operator and so forth. In view of the fact that it is the tenant of the great number of commercial establishments who will suffer, I strongly urge the government that controls on commercial rents be kept on to a certain extent.

There is no doubt that demands for wage increases are greatly justified in many places, and I sympathize fully with the low-salary workers who must find a way to live under present conditions. The most unfortunate are, of course, those who belong to unorganized groups, whose voice is too faint and weak to be heard. They depend altogether on the good graces of their employer, and it is he who should keep faith with them. The only solution would be to revise the provincial labour law. The most important questions affecting employer and employee locally are the relations betwen the government and the civil service. The problems are numerous indeed. They not only affect wage increases; they also affect appointments, promotions, superannuation, conditions of work and recreation.

At the beginning of the session I put on the order paper a resolution calling for parliament to institute a special committee which would have power to investigate and discuss these problems and report back to parliament the conditions which they found to exist, and to make recommendations for the benefit of the civil service. I hope this resolution will be reached, and I think the government should look favourably upon it.

One of the reasons which prompted me to present this resolution was the fact that all the problems relating to the civil service are being discussed at different times by different bodies. Pronouncements come from different sources and things are accomplished piecemeal. If one body of men could hear the complaints or the representations on all subjects relating to the civil service, the relations between civil servants and the government; if one body could consider these questions at one time, and if the recommendations could be made all at the same time on all subjects, then I think it would give greater satisfaction and the problems might be solved for at least some time to come.

Let us take, for example, the question of wage increases. Everyone knows there is no more faithful body of employees than the civil servants. The government is altogether dependent upon them and they have not failed in their duty, either in the past or at the present time. During the war they accepted their extra duties without murmur, extra hours of work without pay, and many were frozen in their employment who could have sought much better reward in industry and commerce or even in the armed forces. However, when it comes to increases in wages the civil servant has always been in the same situation. He is always lagging behind industry and commerce. It seems to take a longer time to make adjustments for this class of employees than for any other.

The government has recently made some adjustments in the rates of pay for clerks, typists, stenographers and others, and it is proceeding to make similar recommendations for the other classes in the civil service. This is important in the case of technical personnel, for example, before we lose them.

Canada has been fortunate in keeping such a splendid staff of technical men in its employ,

on a wage scale which is not comparable with that paid in industry or in the United States. If we want to keep these men and encourage others to come within the service, there should be an immediate adjustment on a greatly increased scale in their rates of pay.

In connection with this matter, certain representations have been made to me by employees who apparently are not considered as coming within the classifications where increases have been granted. It is my understanding that not only in this house but in many departments of government there are employees with salaries within the minima and maxima ranges set out in the statement made in the house on December 19 by the Prime Minister (Mr. Mackenzie King), and they have not yet received any salary increases. The reason given them on inquiry is that the necessary approval has not yet been authorized by the civil service commission and/or the treasury.

It is further intimated to these employees—and this is what really worries them—that unless such approval is given before March 31 next, the end of the present fiscal year, such increases under the present regulations cannot be effective as of October 1, 1947, the Prime Minister to the contrary notwithstanding, so they say.

These employees have every faith in the promise of the government; but they are fearful that higher officials, sticking to the absolute letter of the present regulations, will not find it possible to comply with the spirit and the letter of the Prime Minister's statement. I should like to have this question answered: Is it possible to give these employees an assurance that they will get their six months' back pay even if the civil service commission and/or the treasury officers may take longer than March 31 next to secure the necessary approval?

When the reclassification and proper adjustment in wage rates have been made throughout the service there may still be some need for further allowances by way of cost of living bonus if the living index keeps on increasing. That I suggest would be the proper way to satisfy the immediate needs of the employees from time to time. I realize that a bonus, variable in accordance with the living index, might be a hard thing to accomplish, but even if this adjustment were made every six months it would be more satisfactory to all concerned than a system which has been followed in the past whereby adjustments are sometimes made two years after a condition has arisen.

Other problems affecting government employees are those relating to prevailing-rate men, such as employees in the printing bureau and the public works department. There again the government has made some adjustments in the rates of pay to follow the general pattern of industry, but it is far from complete at present. Furthermore, in the case of public works employees, the men receive only one week of holidays, and they pay for the other week. In both the printing bureau and the public works department no sick leave is granted at all.

I am going to suggest to the government that a plan of contributory sick leave in which the government would contribute half and the employee half should be instituted immediately. I believe this would be welcomed by all employees, and it is only fair that the government should contribute, as is done in ordinary industry, its share for leave of absence on account of sickness for their prevailing-rate employees. There should also be two weeks holidays paid by the government for all employees who are outside the civil service commission.

We have at home here in this building another class of employees, the employees of the House of Commons. Last year there was brought down a resolution which, if passed, would have had the effect of bringing within the civil service commission, and under the Civil Service Act, all employees of this house. For some reason or other, and no doubt for very good reasons, this resolution was not proceeded with. I urge the government to give an opportunity to all employees of this house to come under the Civil Service Act, so that they may get the benefits of that act. What is happening at the present time is that some employees make certain representations and they receive better pay than others, and this condition should not exist if we wish to maintain a satisfied and efficient staff in this house.

Mr. McIVOR: Including the stenographers.

Mr. RICHARD (Ottawa East): The stenographers too. They are all on the same staff. I should not like to let this occasion pass without some reference to superannuated civil servants. No doubt hon. members will recall that last year I was one of those who urged the Minister of Finance (Mr. Abbott) to make some provision for a cost of living bonus or an increase for superannuated civil servants. I have heard of late that this matter is not at present receiving favourable consideration. However, I do not think the arguments advanced against giving this increase are valid because, as I see it, the government is putting itself in the position of a private concern.

It is true that an insurance company or any private company may not be in a position to give a cost of living bonus to its pensioners because it is in business to make money. But superannuated civil servants have contributed so much money to the pension fund that the government is in the business of making money out of the superannuation fund. I believe there is a sum of $30,000,000 accumulated there and it will go on increasing.

Since the government is not in the business of making money, I do not see that its argument holds that it should keep in reserve such a huge accumulation of pension money. From these statements, however, it will be more apparent perhaps to everyone how important it is to have a single committee set up to examine all these questions and to make recommendations thereon. I hope the government will give sympathetic consideration to the request I have made for a committee on the civil servants of this government.

In closing, Mr. Speaker—perhaps on another note—I should like to say that one of the greatest objectives at the present time is to instil in the people of this country a proper sense of appreciation of their Canadian citizenship based on mutual understanding and love of their country. It is well for us to do battle elsewhere and shout for the protection and defence of foreign minority rights, but it is more honest and more sincere to apply these principles at home. In one of his last speeches Sir Wilfrid Laurier, a man who understood the value of Christian ideals and the values of the human heart over the materialistic ideals of the common man, when addressing a group of young men in 1919 used these words:

> As for you who stand today on the threshold of life, with a long horizon open before you for a long career of usefulness to your native land, if you will permit me, after a long life, I shall remind you that already many problems rise before you: problems of race division, problems of creed differences, problems of economic conflict, problems of national duty and national aspiration. Let me tell you that for the solution of these problems you have a safe guide, an unfailing light, if you remember that faith is better than doubt and love is better than hate.
>
> Banish doubt and hate from your life. Let your souls be ever open to the promptings of faith and the gentle influence of brotherly love. Be adamant against the haughty, be gentle and kind to the weak. Let your aim and purpose, in good report or ill, in victory or defeat, be so to live, so to strive, so to serve as to do your part to raise ever higher the standard of life and of living.

Mr. G. S. WHITE (Hastings-Peterborough): There are two matters, Mr. Speaker, that I should like to bring to the attention of the Minister of National Revenue (Mr. McCann); while he is not in his seat at the moment, I hope he will give careful consideration to both of them.

The first one is in connection with the amendment made last session to the Dominion Succession Duty Act, whereby the rates then in effect were doubled; under this amendment provision is also made whereby, when duty had been paid to a province, the estate would be entitled to a certain rebate from the dominion office. I should like to point out that in Ontario, on estates up to $25,000 which pass to the immediate family, there is no duty payable to the province; and in all estates up to $10,000 where the heirs are collaterals there is no duty. Under the arrangement as it exists under the Dominion Succession Duty Act, with regard to estates up to $25,000 and going to the immediate family, the estate is called upon to pay the dominion succession duty which was doubled a year ago. It appears to me that this is just another example of the estate of the man in moderate circumstances being called upon to pay double taxes to the dominion government. I am sure the minister will agree that this phase of the act is most unfair. It was pointed out to him; representations were made to him at the time the amendment was made, but he did nothing about it. But even now I hope he will reconsider the matter and see that this unjust and unfair discrimination against these small estates is corrected.

The second matter that I should like to bring to the attention of the minister is an amendment to the Income War Tax Act made last year in regard to taxation of co-operatives, whereby cheese factories for the first time are now required to file income tax returns and will be subject to tax. There has been a considerable difference of opinion among legal experts as to the correct meaning of this amendment, but from the correspondence I had with the minister, I am of the opinion that the ruling of the department will be that cheese factories will be subject to income tax. Because of this change, every cheese factory in the county in which I reside —and I think the same condition applies to all factories in eastern Ontario—are faced with complete re-organization under existing provincial co-operative legislation. A great deal of expense will be incurred. Each company will have to be fully re-organized, with a new charter. It will have to change its system of bookkeeping and accounting and will have to employ an auditor. If the department insists on going on and forcing these factories to make these returns and insists on taxing the profits of the cheese factories, I fear it will simply mean that many cheese factories which

today are only able to get by and make a small profit will be forced to close, as a result of which a large amount of milk now going into cheese will go elsewhere. There is the further point that if the cheese factories are to be taxed, the department is then taxing the same money twice, because when the farmer makes his return he must show the total amount of money he receives from the factory.

Recently the cheese producers of Ontario presented a brief to the Minister of Finance (Mr. Abbott) and the Minister of National Revenue. I should like to read a few paragraphs from that brief, because it reviews the growth of small cheese factories which are operated on a co-operative basis and sets out certain conditions which affect them today. I quote from the brief:

> The immediate changing of a cheese factory bookkeeping system and the employing of an accountant will have a ruinous effect on farmer-owned cheese factories. In many cases it means the closing of more cheese factories, the safety valve of the dominion's $450,000,000 dairy industry, because at this date the following facts face us:
>
> 1. Temporary competition has caused cheese to fall from the 1945 production of approximately 187,000,000 pounds to the 1947 production of about 115,000,000 pounds or a drop of thirty-eight and a half per cent.
>
> 2. Many cheese factories, while they have been operating efficiently and are making a very high quality cheese (often preferred to the cheese made in larger factories), were built many years ago and are now requiring repairs and replacements of equipment. Such repairs and replacements might not be allowed as operating expense for taxation purpose.
>
> 3. Some cheese factories are in debt from a miscellaneous capital expense, for building a new factory, or from installing refrigerated curing rooms as recommended and subsidized by the dominion government. Our understanding is that money retained from earnings for the liquidation of such debt is taxable. Such a practice will discourage cheese factory improvement and cause more cheese factories to close.
>
> 4. If farmer-owned, co-operatively conducted cheese factories have their accounting expenses suddenly changed and greatly increased, as a result of having to make income tax returns, many more factories will close, with possible repercussions within the whole dairy industry.

The gentlemen who presented this brief went over the whole matter thoroughly with the two ministers. At the end of the brief they have this recommendation:

> Therefore be it resolved that we, the executive committee of the Ontario cheese producers' association, ask the dominion government for freedom from the necessity of filing income tax returns and from the paying of income tax for the years 1947, 1948 and 1949 for all farmer-owned cheese factories operating on a co-operative basis though not incorporated as such.

I sincerely hope that the minister will review the whole situation, and that he will not be guilty of any action which will in any way reduce the production of cheese in Ontario.

I see the Minister of Veterans Affairs (Mr. Gregg) is now here. I should like to point out to him that, in my opinion and in the opinion of many hon. members, it is most regrettable that, though we are now at the end of the fifth week of the session, the veterans affairs committee has not been set up, nor has the minister found it possible to introduce the legislation necessary to increase the basic pension rate. It is true that the Prime Minister made a brief statement in December, which was amplified on Monday of this week; but I am going to suggest to the minister that he recommend that we have a standing committee on veterans affairs, and I hope the minister is listening. If we had a standing committee on veterans affairs this pension legislation could have been dealt with at the December sitting, and probably the legislation would have now been in effect. The minister is a member of a government that saw fit to introduce a budget which imposed taxes the collection of which was commenced the next day. Apparently that was all right; but the veterans of this country, after waiting for more than twenty years for the increases to which they were certainly entitled, heard an announcement on December 19. Then some two months later, after great pressure was brought to bear upon the Prime Minister and his cabinet, we hear a further announcement and suggestion that it is hoped to introduce the legislation at an early day. The minister must be aware that it is during these hard winter months that the veterans need this increase, though now I doubt if they will get it before the end of April at the very earliest.

Then I should like to bring to the attention of the minister a condition which his predecessor promised to remedy. I refer to those veterans who are in receipt of disability pensions and who are at present attending universities and receiving educational grants as part of their re-establishment credit. I am sure no one will even attempt to argue that a pension for war disability is not given as a matter of right, or that a veteran in receipt of such a pension should not also receive the full educational grant. As I said a moment ago, the former minister of veterans affairs promised to correct this unjust discrimination, but today we find that veterans in receipt of disability pensions are not given the full amount of their educational grants. A veteran who is disabled does not have the same opportunity to earn money while attending university or during the summer months, because of his disability; and I think it would be a very

good start for the minister if he would see that this petty chiseling on veterans allowances is stopped at once. I believe everyone feels that the fact that a veteran receives a pension should not be used in order to cut down his educational grant.

Under the present administration of the pension board, I feel that in many cases the veteran does not get the benefit of the doubt. On that point I should like to read section 62 of the act:

> Notwithstanding anything in this act, on any application for pension the applicant shall be entitled to the benefit of the doubt, which shall mean that it shall not be necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall be entitled to draw and shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences and presumptions in favour of the applicant.

That seems quite plain; yet in actual practice we find that the reverse happens. It seems that in too many cases the pension board will go to extreme lengths to fight the veteran, to raise some doubt or objection. In legal procedure it is well recognized that the accused is always given the benefit of the doubt, and our judges lean backward to see that this is done. The pension board has a large staff of medical experts; it has all the benefits of science and research at its disposal, and all these are on one side against the veteran, who is often called upon to produce new evidence, medical evidence to disprove certain findings of these so-called experts of the pension board. I believe every application submitted by a veteran for a pension should receive the most sympathetic and careful consideration of the board. This pension board should have at heart more of the welfare of the veteran and less of the welfare of the treasury board. Many hon. members can readily recall instances in their own ridings of veterans who have been getting the usual run-around from the pension board, but in which the member was able to get some action from the board as soon as he took up the matter. It has always seemed to me that in such cases the board was quite ready and willing to appease the member in order to prevent these tragic cases from being brought up in the house. As I said before, the granting of a pension is a matter of right; so why should it be necessary for the veteran to have his member of parliament or anyone else take up the matter on his behalf with the pension board?

The pre-enlistment disability is another matter to which the minister might well direct his attention. In view of the fact that a man who joined the army and was placed in category A-1 was given a rigid medical and X-ray examination, it seems only fair to say that any disability incurred after he joined the army should be attributed to war service. But the board does not accept that principle. It goes to great lengths to dig up some incident, some injury or something that happened years before. Through you, Mr. Speaker, I ask the minister if he does not think it perfectly fair and reasonable to say that any soldier who passed this careful medical and X-ray examination should have the assurance that any disability incurred would be considered attributable to war service. Yet we find on the pension board many doctors who make certain findings. They are not positive findings, but they make findings that a disability was due to pre-enlistment causes. I point out to the minister that these findings of the doctors are not positive; they are only opinions, and there is always doubt about them. They are not conclusive in any way.

These opinions and conclusions would never be accepted in any court of law, but they are accepted far too readily by the pension board. Too often they make the ruling that the injury or complaint complained of was not due to war service, but rather that the disability was due to pre-enlistment causes and was not aggravated by war service. I am sure the members of the pension board who coined that glorious phrase must be very proud of it.

The recent regrettable tragedy in Ottawa, when a veteran of the first war shot and killed a medical officer, must have brought home to the pension board a condition which should immediately be remedied; because it must be very difficult for the public of Canada to understand how it is possible for any veteran of world war I to have such an improvement in his disability that his pension could be materially reduced. It was only natural that, with the years passing, the disability would increase; and this principle is recognized in the provisions of the Pension Act; for there are automatic increases in respect of gunshot wounds as a veteran reaches and passes a certain age. I would ask the minister to see that the necessary legislation is introduced to continue all pensions to veterans of world war I at their present rate, and to have the principle of automatic increases applied to all pensions.

In the announcement made by the Prime Minister (Mr. Mackenzie King) as to the basic rate of pensions, we see that there was an increase in the monthly allowance from $75 to $87. That was a step in the right direction; but I submit that the increase was totally

inadequate to cover the increased cost of living of veterans. I would also point out that the increase is years overdue, yet it is made retroactive only to October 1, 1947. Members of this party have often advocated in the house that there should be a general increase of 25 per cent across the board.

I would draw the attention of the minister to the February issue of *The Legionary,* which was sent to all members. At page 10 we find a short article headed "Proposed increases are not adequate," and from it I should like to read this one short paragraph:

> The Legion's idea of an appropriate increase in pensions at this time would be an additional 25 per cent for all beneficiaries under the act.

And in dealing with war veterans allowances they make this recommendation:

> Our idea of a new rate for war veterans allowance would be $50 per month for the single person and $85 per month for a married couple.

I trust that the minister will give some further consideration to what the amount of the basic rate will be, and I hope, irrespective of what the Prime Minister said yesterday in connection with submitting this bill to the committee on veterans affairs, that the minister himself will recommend that the bill be submitted to the veterans committee for their study and recommendation.

The table of rates filed by the Prime Minister shows both the old and new rates of pension. If anyone took the trouble to look at those rates he would find there is a material difference in the amount of the basic rate paid to all ranks up to the rank of lieutenant. The basic rate was $900 a year. If one follows up the scale he will find that the highest basic rate for senior officers is $2,700 a year.

My personal belief is that the practice which has been followed of paying pensions based upon rank is entirely wrong and should no longer be tolerated in this country. Two veterans might be farmers, teachers, doctors, clerks or in any other employment, and may have suffered the same disability; but one may be receiving 300 per cent more pension than the other. Both veterans would have to re-establish themselves; they would have to acquire the same training or take the same degree. They would have to meet the same competition in civilian life. They would both have families to support, and there would be absolutely no difference in their situations in civilian life. They may both have suffered the same wounds and the same hardships. Now one of these veterans must suffer this unfair and unjust discrimination; for, after all, a pension is awarded to a veteran as a compensation to him for his decreased earning capacity, and for the extra expenses he may have in civilian life because of his disability. Why, then, is there this wide difference in the amount of pension between the $900 paid to a private and the $2,700 paid to an officer of higher rank?

If in this practice we are following the custom of some other country, then I say quite frankly the time is long past due when we should stop paying pensions based upon rank. Personally, I cannot think of a single argument in favour of the present practice. I hope that when the committee on veterans affairs is set up it will give careful consideration to and make recommendations concerning this matter to the effect that all pensions to all veterans will be paid at the same basic rate.

Mr. H. W. HERRIDGE (Kootenay West): Mr. Speaker, in rising to take part in this debate I wish, first of all, to express my disapproval of this disjointed procedure in carrying on the debate in reply to the speech from the throne. This lack of continuity decreases its value to members of the house, and in my opinion must be very confusing to people throughout the country who get their news through the newspapers.

During the time at my disposal I should like to deal with one matter, agricultural credit. Before doing so, however, may I point out that the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell) is in these words:

> This house regrets that Your Excellency's advisers have failed to use the powers provided by parliament to control prices, and by their actions have caused alarming increases in the cost of living and a dangerous lowering of the living standards of the Canadian people.

Before proceeding, may I say I heartily agree with the amendment to the amendment and I intend to support it when the vote is taken. But, in addition to the expressions of that amendment, I believe we have to go beyond the confines of administrative measures. I believe that if we are to have a satisfactory standard of living in this country the government will have to take more positive action with regard to production. I am going to refer particularly at this time to agricultural production.

In my reading of the throne speech I saw reference made to the fact that there is an extreme and acute shortage of food. I also found in the *Christian Science Monitor* of February 17, 1948, the following report from Lake Success:

> Shortage of food constitutes the greatest and most urgent problem now confronting the world, the food and agricultural organization reports.

And it has called upon the economic and social council of the united nations to take the initiative in immediate remedial measures.

During the time at my disposal I intend to deal with the question of the improvement of long-term agricultural credit facilities provided by present legislation. I am choosing this subject because I believe it is closely connected with the need for increased agricultural production and because it is of great concern to the farmers' organizations in my riding in the interior of British Columbia and is also of concern to a large number of worthy young Canadians who want an opportunity to farm but who are prevented by the present unsatisfactory legislation.

When we hear, as I have heard, hon. members from the maritimes speak of the large number of abandoned farms in that part of Canada; when we hear, as we have heard, during debates in this house, of the shortage of food in this country under present restrictions; when we see reports, such as the one I have just read, issued by the food and agricultural organization of the united nations, and when we know that a large number of young Canadians are anxious to farm in this country at this time I think we should give serious concern to checking and revising our legislation so far as agricultural credit is concerned.

Agriculture is a unique industry. It produces the raw materials for food, clothing and domestic use, three of the most essential needs of life. We all know that food is man's first need. The daily bread of the race comes from the soil and the farmer is the world's agent of food production. Next to food is clothing. The raw materials for textile industry come from the soil, and a part of the products of those industries may be included in any of the articles with which we furnish our homes.

An hon. MEMBER: Correct.

Mr. HERRIDGE: I am pleased to hear that I have a supporter on the government side. I hope he supports me later on in my address. Agriculture is a universal industry, and the existence and progress of all society, if we read history correctly, depends absolutely upon it. What is called civilization may be defined as the production of objects not biologically necessary for survival. As I read history, civilization first arose from the introduction of agriculture in the fertile deltas of Egypt and Babylonia. What promotes the welfare of agriculture, without question benefits mankind. The progress of agriculture and the progress of civilization go hand in hand.

[Mr. Herridge.]

In my opinion the provision of low interest long-term rural credits under better conditions than exist today, is necessary for the development of agricultural enterprise in this country, for the development of the agricultural resources of this country, and for the production of the food which we require at home and which is required abroad.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. GREGG: On a question of privilege, with your permission, Mr. Speaker; this afternoon the hon. member for Hastings-Peterborough (Mr. White) said that my predecessor had failed to correct the complaint of veteran pensioner students in training. I knew that had been corrected by my predecessor, but I could not remember the exact date. It was last June, so that now the veteran pensioner student receives his full personal pension plus his full maintenance grant without any deduction.

Mr. HERRIDGE: When the house rose at six o'clock I was advocating the necessity for a better system of long-term credit for farmers in this country if we were to have the agricultural development that was necessary, if we were to provide the food that is needed in the world for our own people, and if we are going to provide an opportunity for many young Canadians who wish to farm. In that connection I believe I have the support of some hon. members on the government side. When the hon. member for New Westminster (Mr. Reid) was speaking the other day I noted that he was critical of the present restrictive application of the Canadian Farm Loan Act. I am quite sure there are a good many other hon. members representing farmers in this house who will agree with much that I have to say this evening.

The number of persons engaged in agriculture represents a very large segment of the population, and I maintain that our industrial structure cannot remain sound unless it is based on agricultural prosperity in Canada. I am not going to deal with short-term credit for farm purposes this evening; that is, the credit which may be required by the farmer to purchase some machinery, finance the production of a crop and so on. I think under the provisions of the Farm Loan Act of 1944 and through the private lending agencies there are fairly satisfactory credit arrangements available in this country at this time.

But I do want to deal for a few minutes with long-term agricultural credit. Whether we like it or not, if we read history correctly, long-term credit has always been a necessity in the development of agriculture. From very early times, even reaching back into the feudal system, we know that moneylenders have exploited the peasants of central Europe, the peasants of China and of other countries for hundreds of years.

In dealing with this question I think we should be well advised to review some of the credit arrangements that have been made in other countries. It is from the experiments of the past, applied to our own conditions, that we are likely to reach satisfactory conclusions in this matter. The history of agricultural credit in Europe is a long and interesting one. Outside of the agricultural credit supplied by moneylenders, the first real credit schemes financed other than by moneylenders originated in Germany in 1770. These schemes provided for an association of borrowers for the purpose of procuring loans by the issue of bonds secured by mortgages registered collectively against their properties. They had in Germany a combination of co-operative loan banks and mortgage credit banks assisted by state banks. The general principle involved was one of mutual aid by state grants or loans to co-operative credit organizations; and within the limitations of their sphere they were extremely successful. The losses incurred were very small indeed; the good they did was great. Of course they were operating in a stable agricultural economy, in an agricultural economy which was largely developed. They were successful. They were successful because there was a close association of the farmers themselves, farmers' organizations and the state agencies that assisted them.

In France there were similar developments. As a matter of fact, in France the credit foncier has been the large lending institution that has lent money to co-operative credit organizations in France, and the stability of the French peasant was largely secured through that type of credit. In Italy, which, as we all know, is a country with very few advantages, not rich in natural resources, there was a tremendous extension of lending institutions. There again there were land credit banks, savings banks, and agricultural societies, in a somewhat different form, a system of state aid to co-operative organizations.

We all know the history of co-operative development in Holland and Denmark, where that type of organization was possibly brought to its highest fruition in modern co-operative lending institutions. Then we come to the Scandinavian countries, and in passing I want to pay tribute to the Scandinavian people because of the lessons they have taught us all in the development of co-operative organizations. Wherever you find a group of Scandinavian people in any rural community you will find sound farming practice and industrious people. You will also find soundly operated co-operatives and co-operative credit organizations. In Norway and Sweden a study of the history of their co-operative credit, which was a further development of the German system adapted to suit their local conditions, shows us possibly the highest development of the principle of the extension of long-term credit to farmers as a result of co-operation between farmers' organizations and the state.

All these organizations developed on sound lines and, as I said before, reading the history of them very carefully I found that there were very few losses and very few failures. I would say, Mr. Speaker. the lessons we learn in this matter from European experience throughout two or three centuries are: first, that the organization of farmers has been the basis of their success; second, that education has proceeded hand in hand with organization; third, that there was a strong personal supervision of loans by the farmers' organizations, and fourth, that those local and individual efforts were supported by state assistance through low interest loans to farmers' lending organizations.

When we come to Great Britain we have a somewhat different picture because of the different system of land tenure. There, until comparatively recently, land was held by a few landlords, the greater number of farmers being tenants. Development along co-operative lines commenced to some extent in 1901 in England, and in Scotland in 1905, when societies were established somewhat after the Irish pattern promoted by Sir Horace Plunkett in Ireland.

On the whole, long-term agricultural credit in Britain has been considered a field for private investment, and special corporations were organized under government regulation, but without government assistance. Under the provisions of the act passed in July, 1923, power was given the public works loan commission of Great Britain to lend money to associations for the purpose of making advances on farm mortgages at any time within five years after the passing of the act.

The co-operative credit developments in Europe which I have mentioned have not occurred to anything like the same degree in

Great Britain, and that is largely because of the system of land tenure up to recent times.

In the Union of South Africa, for the purpose of promoting agricultural credit, the Land and Agricultural Bank of South Africa was established and advances were made to farmers' co-operative and credit organizations and, in some cases, direct to settlers. The history of the lending of money on long terms in South Africa is somewhat spotty, but I would say that, on balance, in the majority of cases it was successful and beneficial.

In New Zealand, for the promotion of agricultural settlement through government support, we find that, as far as the British commonwealth is concerned, arrangements have been worked out in greater detail with respect to the classification of land and the kind of security offered than in any other part of the commonwealth. There has been tremendous development in recent years of state assistance to farmers' lending organizations.

To come to this continent, there was great agitation for farm credit in the United States many years ago, and that resulted finally in the passing of the Federal Farm Loan Act in 1916. The federal farm loan board was then established, and since that time there has been great development of agricultural credit under the farm credit adminstration.

During the depression somewhat unusual and drastic measures were taken, not primarily, so far as I read, for the protection of the farmer, but for the protection of investors in organizations lending money to farm organizations or to farmers direct.

As far as Canada is concerned, credit has been necessary since the earliest days of settlement in this country. I understand that from 1663 to 1750 French settlers were brought out from France and supplied free with tools and food, and in some cases the King of France actually paid for the clearing of a few acres of land and provided a house and a few simple commodities such as flour until crops were reaped.

As far as British settlement in Canada is concerned, I understand that, particularly in Halifax, from the earliest days there were grants of land and financial assistance to settlers who, in the first instance, were largely members of disbanded English regiments. In the period in this country between 1763 and 1812 credit was advanced to farmers generally by the merchants of the country. From 1812 to 1840 credit was obtained from private sources and from colonization companies. About 1850, loan societies were established for long-term agricultural credit, and most of the capital for these societies, as far as Canada is concerned, came from Britain.

[Mr. Herridge.]

With the accumulation of Canadian capital, Canadian companies commenced operations in the latter part of the last century until in the beginning of this century, Canadian corporations had some $116 million invested in farm mortgages in western Canada.

The point I wish to make is this, that without question, the system which has given the greatest success and been the soundest, having worked to the greatest advantage of the farmers themselves and to the country concerned, has been the system in which there was co-operation between the agencies of government and the organs of the people.

Agricultural assistance in this country by the federal government was commenced, as far as I can find out, about 1876 by assistance to the Manitoba farmers for grasshopper relief. In 1886 there was assistance to the settlers of the Northwest Territories, and that was continued until the formation of the provinces in 1906. From 1909 to 1913 settlement in the west created tremendous demands for capital, and trust companies invested very large sums in western agriculture.

With the commencement of the war in 1914, borrowings from Great Britain ceased and there were greatly increased grants to agriculture in the west and in British Columbia.

As far as the provinces are concerned, in the maritimes there were various efforts to assist agriculture. I am speaking particularly of lending to farmers' organizations or to farmers direct. I recognize that much assistance was given through departments of agriculture, universities, and experimental stations, but I am referring especially to credit advanced to farmers or farmers' organizations. In Nova Scotia there was the loan act of 1919 providing loans for thirty years. In 1928 this provincial action ceased in Nova Scotia, and from what I can read there was little success in these schemes.

In New Brunswick there was no farm lending of importance, although there was assistance to British people who settled on the land. I understand that there were about 240 families established by 1926 and in 1929 these loans were refunded under the Canadian Farm Loan Act.

Apparently, if one may judge from the large percentage of Scottish people in New Brunswick and Prince Edward Island, there is little borrowing done. In the latter province, in 1934 legislation was passed which prepared the way for the Canadian Farm Loan Act. This was the first provision for long-term agricultural credit in the history of the provinces.

Quebec, as far as I can read, has been the outstanding province in Canada for the develop-

ment of co-operative credit societies by the farmers themselves, who from early days have received some assistance from government. I think the province of Quebec, as far as farm loaning organizations are concerned, has come closer to the European experience than any of the other provinces.

As far as Manitoba is concerned, there was a loan credit act in 1917, and there was the Manitoba loan association. Of the difficulties experienced, I am sure the leader of the official opposition knows more than I do.

In Saskatchewan there was the Saskatchewan farm loan act of 1917, but the results were not encouraging. Going west, we find crop failures and less stable agricultural conditions; and the lack of success in Canada, as far as long-term farm credit is concerned, is directly related to the question of the stability of agriculture and the assurance of continuous crops.

In Alberta tnere was the Alberta farm loan act of 1917, and in 1931 the establishment of the Central Alberta Rural Credits Corporation, the purpose of which was to consolidate and co-ordinate the operations of the credit associations of the province.

British Columbia has a somewhat different history. As a matter of fact, under this system, relatively speaking, that province has an encouraging history as far as assistance to agriculture is concerned. Co-operation has been fostered there since very early days. In 1896 we had the creameries act. In 1898 we had the agricultural credit society act; in 1915 the agricultural act, and in 1917 the land settlement board. Its activities are now very much restricted, and the type of work it was doing has now been largely taken over under the Canadian Farm Loan Act. In addition to that, the government of British Columbia has financed diking and drainage to the extent of $2,500,000. In recent years, as far as federal measures are concerned, from 1917 to 1919 we had the Soldier Settlement Act, the British Farm Settlement Act of 1924, the Canadian farm loan board, which was established in 1929; the Farmers' Creditors Arrangement Act, and the Veterans Land Act of 1942.

I now desire to refer to the Veterans Land Act, and I wish to quote from a report of the Canadian farm loan board for the year ended March 31, 1947, at page 3:

> Powers and Duties of the Board
>
> The board is a public corporation and an agency of the dominion government organized in 1929 under the Canadian Farm Loan Act for the purpose of administering a system of long-term mortgage credit for farmers on the security of farm lands. In 1934 the act was amended and part II of the act was added to permit the board to extend intermediate and short-term credit to its long term mortgage borrowers by way of supplementary advances secured by second and chattel mortgages. In 1935 the board was also empowered under the Canadian Fisherman's Loan Act to make loans to fishermen on the security of real property owned by them.

That outlines the powers and duties of the board. Then, on the same page under the paragraph headed "Terms of Loans" we find this:

> Under the Canadian Farm Loan Act the board may make mortgage loans only to farmers whose principal occupation is farming and who are actually occupying and operating, in person or by hired labour, the lands accepted as security for loan. The act does not authorize the making of loans on lands under lease.

I wish to refer later to that clause "whose principal occupation is farming," because I maintain that, as long as a clause like that is in the act, many of our young Canadians will be prevented from establishing themselves upon farms in this country. On page 4 we find a paragraph headed "Purpose of Loans," which reads:

> Loans may be granted to refinance existing farm indebtedness, to purchase livestock and equipment, to make improvements, including the erection of buildings and to pay operating expenses. First mortgage loans may also be made to purchase farm land but second mortgage loans cannot be made for this purpose.

I just want to deal with another paragraph or so. On page 6 there is a paragraph headed "Repayments of Principal of Loans," which reads:

> A considerable number of borrowers are taking advantage of the prepayment privileges previously mentioned in this report by repaying their loans in full before due date. Since inception of operations in 1929, the board has disbursed 27,875 first mortgage loans and of this number over 12,100 have been repaid in full prior to the final instalment due date, while of a total of 8,995 second mortgage loans disbursed over 7,600 have been repaid in full.
>
> Cash repayments of loan principal during the year under review amounted to $3,664,718 as compared with $3,802,455 repaid in the previous fiscal year. Cash repayments of loan principal since inception of operations in 1929 to March 31, 1947, total $34,100,122 against loans disbursed totalling $57,543,717.

My point is this. If we take the total of the loans disbursed we find that the Canadian farm loan board has been lending annually a sum of a little less than $3,000,000. We talk about an expanding economy and we hear a great deal about industrial expansion. We know of the large investments in industrial expansion caused by accelerated depreciation, special depreciation and so on. But when we examine this report we find that the loans granted by the board are diminishing in

volume. In 1942-43 total loans were $34,000,000; in 1946-47 that figure is reduced to $22,000,000. At a time when we should be developing our agriculture, and when young men are desiring to go on the land and get going under the Canadian Farm Loan Act, disbursements are decreasing in volume.

I shall not take further time to examine this report except to say that I am not criticising the officials of the Canadian farm loan board. I would say they are operating the act in a conservative and sound way. But I maintain that the act itself is too limited in scope and its application is too restrictive. I criticize the act as not being satisfactory in general and as not being satisfactory in particular. I say it is not satisfactory in general because, according to government figures, the capital invested in agriculture at this time is approximately $5,000 million and the annual production of agriculture is approximately $1,500 million. Yet at the present time we are lending to agriculture, through government channels under this act, only something in the neighbourhood of $3,000,000 a year. I maintain that those figures are sufficient to prove that this act is not providing the flow of credit which is necessary for agricultural expansion in this country.

I said that the act's application was not satisfactory in particular. I am now referring to my own experience and my observation of difficulties which have occurred in my own district. This act does not provide the opportunity for a young man to take over forest land and develop the farm because, under the act, his principal occupation must be farming. I shall give one illustration, although I could give several. A young veteran returned from the armed forces. He had not served a year in the Canadian forces, so that he was not entitled to assistance under the Veterans Land Act. He buys 160 acres of good timbered land and signs an agreement for $3,000; he agrees to pay $500 a year. He does that for two years and then finds out that, by making $500 payments, he has but little capital left with which to go on expanding, clearing and doing the things he wants to do to improve the place. So he applies to the Canadian farm loan board for a loan over a period of ten years, to make his payments lighter. In the first place, no official visited the district. The head office in British Columbia is in New Westminster. No one bothered to go and look at the farm. In the second place, he submitted to the board evidence to show that he had a wood contract which provided him with an assured income of $500. He sells other wood besides. In fact he had an assured income of $1,000 a year from wood that he is cutting from the land he was clearing. He also told them he had a log home. I saw the home myself; I know it well. He had a well-built log barn. He stated all these facts. The people in the district know he is an excellent farmer settled on good land. He has proven that he is making good and is going to make a living, even if he does not have a dollar coming from crops. He has cleared a few acres. He has a few chickens and a few hogs.

His application for a loan was rejected. In the first place, his application was rejected because his principal income did not come from farming. How in the world could it come from farming if you are going to clear a forest farm? Second, reference was made to the fact that his buildings were only log ones; reference was made to his log home, log barn, log chickenhouse, log woodshed and so on. I think that that is a very unsound approach to his application. That young man is a skilled axeman, and I would prefer his log home to many of the jerrybuilt four or five thousand dollar homes I see in the cities. Here we had a capable young Canadian, who had seen service, seeking a loan. If ever there was a good investment for the country that was one. I mentioned that only as one case in my own constituency; yet under the terms of this act, because his principal income was not from agriculture to commence with, his application for a loan was rejected. I might add, however, that his credit was so good and the proposition was so sound that he was able to turn around and obtain the money from other sources, but not every person can do that.

Commencing farming today is different from what it was forty or fifty years ago. Then it was largely a matter of subsistence farming, and a man could take a good number of years to clear and develop his farm. That is not possible today; and I maintain that if we are to provide these young men with the opportunity to farm we must do more in the way of providing low-interest, long-term agricultural credit than we do under the present act. In my opinion if the conservation measures of this government, such as the proposed irrigation work, on the prairies and in British Columbia, the proposed diking in the maritimes and possibly British Columbia, the development that may take place in the Columbia river basin, and so on, are to be successful, they will have to be linked up with a satisfactory scheme of long-term agricultural credit. I believe this will require close co-operation between the dominion and provincial governments and the farm organizations, and also close co-operation

between the various agencies of the government itself such as the Department of Finance, the Canadian farm loan board, the Department of Agriculture and the Department of Mines and Resources.

While I am on that point, I must say I think there will have to be much greater co-ordination of departmental activities than there has been in the past. By way of illustration I might mention that I know of the case of a public works official who was proceeding to spend a few hundred dollars to take a dam out of a river. At that time it was pointed out to him that, by the expenditure of another $500 or so to lower the bed of the river by three or four feet at one point, some four thousand acres of agricultural land could be drained. The answer was, "That has nothing to do with the public works department; that belongs to somebody else." So I say we must have more co-ordination between departments, so that a case like this would be brought to the attention of the department concerned, which would be the Department of Mines and Resources, in order that our money may be expended to the best advantage.

Mr. SPEAKER: Order. I am sorry to interrupt the hon. member but he has exhausted his time.

Some hon. MEMBERS: Go ahead.

Mr. HERRIDGE: I appreciate that very much. I would recommend to hon. members who are interested in this question—and I am sure most hon. members representing farm constituencies are interested in the development of agriculture—that they read the history of agricultural credit in various countries. I think they will agree with me that such an examination indicates that the most successful schemes are those in which the agencies of government are linked with the organizations of the people. The more we can enmesh the people in the administration of their own affairs, the more successful they will be and the more satisfactory will be the results. I believe we must use our potential wealth for these purposes—I would say our social credit, using that expression in its broadest sense. At the present time I believe there is something like $200,000,000 invested in the credit unions of this country. What would be the possibilities under a co-ordinated long-term credit scheme with the co-operation of the federal government, provincial governments and farm organizations with loan societies organized on a regional basis, and with the co-operation of dominion and provincial governments supplying the credit? We can surely all see the possibilities so far ar the expansion of agriculture is concerned.

Therefore in conclusion, Mr. Speaker, I suggest that the matter of long-term agricultural credit be referred to the committee on agriculture and colonization, so that it may inquire into the operation of the Canadian Farm Loan Act in order to suggest amendments which will provide ample and satisfactory credit. I maintain that long-term agricultural credit on a satisfactory and co-operative basis, linked to a national natural products marketing act, will bring more security to our farmers, expansion to agriculture, and provide the food that we at home and those abroad so greatly need.

Mr. HOWARD C. GREEN (Vancouver South): As Your Honour well knows, a member taking part in this debate on the address in reply to the speech from the throne may deal with any subject or with a variety of subjects. This evening I propose to spend most of my time on veterans affairs; but before going on to that question I should like to say a few words about the position in which the people of British Columbia, my native province, now find themselves with regard to representation in the cabinet and also representation in the house.

I must strongly protest against the fact that British Columbia has had no representative in the ministry for a period of about one month. When this session commenced on December 5 of last year we had as our minister the Right Hon. Ian Mackenzie. He was the senior member of the cabinet, having been a member since the election of 1935. He had been made an imperial privy councillor, and was at the head of one of the most important departments of the government, that of veterans affairs. In addition he was house leader on behalf of the government.

Mr. SINCLAIR: He led it very well, too.

Mr. GREEN: Yes, I agree with my hon. friend. Then on January 19 of this year, just one week before the house met again, the Right Hon. Mr. Mackenzie resigned and was appointed to the senate. That was not an accident; that action was taken deliberately by this government. I suggest that Mr. Mackenzie should have been left in the cabinet until the government was in a position to appoint someone to take his place as the representative of British Columbia. He has been able to carry on. I see that he has been making speeches in British Columbia, and also that he has been making speeches in another place which seem to have involved him in a few beginner's lessons in conduct there. In any event he was obviously able to carry on in this house, and he should have been left here until someone could be appointed to take his place. We have had no

representative since, and the interests of British Columbia are not being looked after by reason of the fact that there is not a British Columbia member of the cabinet.

Mr. CRUICKSHANK: But we have some good men there.

Mr. GREEN: If the hon. member for Fraser Valley (Mr. Cruickshank) is not careful I will recommend him.

Mr. CRUICKSHANK: I would sooner go to that other place.

Mr. MacINNIS: Recommending him and getting him in are two different things.

Mr. GREEN: Perhaps that is true. Our province is further removed from Ottawa than any other province. Our economy is not like that of any other province; it is quite different. I think it is impossible for a minister from another province to look after our interests in the cabinet.

Mr. CRUICKSHANK: And even—

Mr. GREEN: Now, if the hon. member for Fraser Valley will let me make my speech, I shall probably help him out a good deal before I have finished.

Our province is now third in population, having well over a million people. It is also third in production and in the amount of income tax paid. Judged by all tests, it is now one of the big three, the other two being Ontario and Quebec. And, by the way, it is growing more rapidly than any other province.

On the basis of present population it is very much under-represented in the number of members allowed in the House of Commons. I suggest that British Columbia should have two ministers in the federal cabinet; yet we now have none. And, Mr. Speaker, there is talk of an outsider being brought in, if you please. Surely that is a serious reflection on the sitting Liberal members from British Columbia. One of those members, the hon. member for Victoria (Mr. Mayhew), is the senior parliamentary assistant to the Minister of Finance.

Perhaps members from other provinces will have noticed that, regardless of their political affiliations, members from British Columbia work pretty closely together. We have a sort of camaraderie which I believe is unequalled in the membership from any other part of the country. I am sure I speak for members from British Columbia who are not Liberals when I say that we rather resent this slight to the four sitting Liberal members from that province. Mind you, Mr. Speaker, we intend to defeat the four of them in the next general election. We reduced their membership from ten to five in the last one, and we will finish off the rest of them in 1949, or whenever the election is called. But, meantime, we do not like to see them getting such a raw deal.

Mr. REID: I will give the hon. member an invitation right now to come into my constituency.

Mr. GREEN: I have a very good one of my own. But, speaking seriously, I think this holding open of British Columbia cabinet representation is done for political purposes, is an attempt to win the by-election in Vancouver Centre; I believe the objective is either to appoint some outsider to the cabinet and then run him in that riding, as was done in the New Brunswick by-election, or to hold out to the electors of Vancouver Centre the inducement that if they elect a Liberal candidate he might be made a member of the cabinet.

Mr. CRUICKSHANK: You could bring in George Drew; you never can tell.

Mr. GREEN: The holding open of this position is unfair to my province, and I repeat that we should have a cabinet minister, and without further delay.

Then, I protest also against the delay in calling a by-election in the constituency of Yale. The Hon. Grote Stirling represented the people of that riding for nearly a quarter of a century, and represented them in a most conscientious manner. I am sure all members of the house will agree with me when I say that when he resigned on October 4 he did so because he was physically unable to carry on as the representative of his constituency. When he found he could not be in the house; indeed, when he found he could not take part in the activities in his own riding, he resigned at once, something which I am afraid would be done by very few of the rest of us.

In view of that fact, if for no other reason, I should have thought the government would call a by-election at once, so that the people of that constituency could have their representative here during the present session. And that is particularly important during this session, because the question of the cutting down of the imperial preference, and questions connected with the new Geneva treaties, are of the utmost importance to the constituency of Yale.

Primarily it is a fruit district. The preference on apples has been done away with, and that particular fact may well mean disaster to the people of that riding. Furthermore, the tariff on United States apples coming into Canada has been greatly reduced. That, too,

affects them seriously. The Geneva treaties affect other fruits, as well, from the sale of which these people live. And it is very important that they have a representative here in the House of Commons when these issues are under debate. Even if the by-election were called at once and the new member were not here until the month of May, he would perhaps have two months of this session in which to serve. I should think that would give him time to take part in the discussions on the preference and on the Geneva treaties. I suggest that in fairness that by-election at least should be called at once, regardless of what may be done in respect of the other constituencies which became vacant at a much later date.

Speaking of veterans affairs, I believe there is great resentment in my province over the way in which the government has been trifling with veteran problems. I have never known resentment among veteran organizations to be as great as it has been in the last few months, caused perhaps by the rise in the cost of living. In any event, that resentment is a fact, and I do not believe I shall be contradicted by any member for British Columbia when I say that.

Mr. MITCHELL: Would my hon. friend tell me any country in the world that has done better by her veterans than Canada has?

Mr. GREEN: Well, Mr. Speaker, that is the excuse which is always thrown out by the government in a debate on veterans affairs.

Mr. MITCHELL: It is not an excuse at all; it is a fact.

Mr. GREEN: I will tell the minister something. In the first place, Canada's position can be compared only with that of the United States, because other countries, such as Great Britain, Australia and New Zealand, are not in a position to do anything like what the United States or Canada can do. In many respects veterans legislation in the United States is very much more favourable to the veterans than is our legislation in Canada. And during the course of my remarks I propose to give one example of that.

I repeat that the government has been trifling and continues to trifle with veteran problems. First of all, I refer to the war veterans allowance. Three days ago, on February 16, the Minister of Veterans Affairs (Mr. Gregg) said that the War Veterans Allowance Act was still under study, but he intimated that there would be further government proposals published or announced within the course of a few days. It is because of that fact that I speak first about the war veterans allowance. Once an announcement is made in the house, as has been done twice in this session by the Prime Minister (Mr. Mackenzie King), there is very little chance of getting any further improvement. It is then almost impossible to bring about any further alteration.

The final announcement with regard to war veterans allowances has not yet been made. I warn the Minister of Veterans Affairs that now is the time to put up a fight in the cabinet for better treatment of these war veterans allowance recipients. He will have a difficult time to live up to the fighting reputation in the cabinet of the former Minister of Veterans Affairs. Naturally I do not know what goes on in the cabinet, but I believe that on more than one occasion the former minister put up a fight. I believe that if he had not done so there are many amendments to veterans legislation which would never have come before the house. I point out to the present Minister of Veterans Affairs that this is a chance for him to win his spurs. He should get in and fight in the cabinet and see that this war veterans allowance legislation is made what it should be.

The war veterans allowance is simply a burnt-out pension, and that is what it is commonly called. It is paid to the veteran who has seen front-line service at a much earlier age than the 70 years necessary to receive an old age pension. Parliament considered that these veterans had been burnt out by reason of having been exposed to shell-fire, and this legislation followed. I think it has been very beneficial legislation. A few years ago it was extended to cover the widows of veterans who had served in an active theatre of war. There is quite a severe means test and, as hon. members know, the maximum which a single veteran or a widow can get is $30.41 per month.

I am not going to take up time in arguing that that is not enough to live on, because I do not believe there is a member in the house who thinks it is possible for these men or these widows to get along on an allowance of that size. It is interesting to read what happened last year during the debate on old age pensions. I have the *Hansards* here and hon. members may be interested to check the statements which appear on pages 4744 and 4864. The Minister of National Health and Welfare (Mr. Martin) was being pressed with regard to the adequacy of the old age pension of $30 a month, and finally he admitted that that figure was not enough to live on, that it was

only a maintenance grant. Upon being questioned by the hon. member for Acadia (Mr. Quelch), he replied:

I do not say, and no one says, that $30 a month is enough for a person to live on.

Later on, he explained that that $30 was merely a grant towards maintenance and that the provinces must make up the difference in order to give the persons residing within their boundaries an amount on which to live. He put the responsibility for paying anything in excess of $30 a month upon the provinces. I would point out to the Minister of Veterans Affairs that the veteran is not the responsibility of the province; he is the responsibility of the dominion. That has been admitted time and again. Last year the Minister of Reconstruction and Supply (Mr. Howe) admitted that veterans housing was a responsibility of the dominion. There can be no question that the dominion cannot expect a province to pay an additional amount to the war veterans allowance recipient so that he can live; that responsibility rests with the dominion.

Some of the provinces are paying old age pensioners an additional $10 a month. My own province of British Columbia is doing that, and the situation there is that war veterans are going off war veterans allowance and on to old age pension because they can get between $9 and $10 a month more. It is a shameful situation that veterans of that province have to give up their war veterans allowance and take an old age pension when they and everybody else know that, in reality, they are the responsibility of the dominion government. The minister's own department is co-operating in changes of that kind, is making it easier for these veterans to switch from war veterans allowance to old age pension.

The government took some action when on December 19 the Prime Minister announced that there would be an increase in war veterans allowances, and I quote from his statement as reported on page 490 of *Hansard:*

The amendment will authorize the war veterans allowance board to grant supplementary allowances up to $10 a month—

It does not say they will get $10 a month; it simply says up to $10 a month.

—in cases of need for veterans and widows who, through age and infirmity, are unable to provide for their own maintenance. The board will be authorized to make the supplementary allowances retroactive to October 1, or to any subsequent date, as the circumstances of individual cases may require.

That applies to both single and married veterans. If a veteran is married he can get only up to $10 a month; he does not get anything extra because he is married. I suggest to the minister that there should have been an outright addition to the war veterans allowance of at least $10 without any further means test, without the front-line veteran having to go back to the war veterans allowance board for further investigation, without his having to get past a lot of officials before getting a maximum of $10, and he might get only $2 or $3. That was a ridiculous way to meet a great need. These men are in the greatest need of all veterans. With them it is not a matter of the cost of living, it is a matter of the cost of keeping alive. The proposal does not meet their position at all. I repeat that this is a case of trifling with a veterans' problem.

Another example is the increase in pensions. No cost of living bonus was paid to pensioners or to the recipients of war veterans allowance during the war years when the cost of living was going up. Last session various demands were made that these men be paid a cost of living bonus, but nothing was done. The cost of living index has now gone up until it stands at between 145 and 150, based on the 1935-39 period.

There was nothing in the speech from the throne about an increase in pensions. Mention was made that there would be some veterans affairs bills but there was no promise at all of increased pensions. However, protests from the Legion, from the Army and Navy, from the Canadian corps, from the Amputation and other associations, and protests from newspapers right across Canada were so strong that on December 19, the last day of the short session, the Prime Minister announced that there would be an increase in pensions.

It was not a very big increase but it was something; at least it was a start. The basic increase was $10 on a full disability pension of $75, which meant an increase from $75 to $85. There was no increase whatever in the allowance for a wife or for children or for parents. There was an increase of $10 for the widow. The increases were made retroactive to October 1. As all hon. members know, they were quite inadequate. They met with protests from one end of the country to the other, and now we have had a further increase which was announced on February 16, three days ago. But I submit to the house that the figure is still too low. In some cases it means an increase of about sixteen per cent. I do not think in any case it is over twenty per cent. The cost of living has gone up fifty per cent. The Legion, and the National Council of Veterans Associations, which includes the Army and Navy, the Corps, the Paraplegic Association, Canadian Pensioners', Sir Arthur Pearson Association and the War

Amputations, both asked for a greater increase. I think the legion asked for an increase of twenty-five per cent right across the board. The increase should have been given. There should not be all this haggling about an increase for the men and the dependents of the men who saved this country. It just does not make sense.

I would point out to the minister that even in Great Britain, hard hit as she is, increases have been granted in many cases up to forty per cent within the last few months. Yes, indeed Canada might very well have made a general increase of twenty-five per cent right across the board. The tragedy of the situation is that, throughout, the government has moved only after terrific pressure, which shows a failure to realize the plight in which the veterans of Canada now find themselves.

The third instance of trifling with veterans' problems is that of the veterans taking vocational and educational training. In December they were refused any increase whatever. Their claims were just brushed aside at that time. Now the married men only are given an increase of $10 a month. I would ask the Minister of Veterans Affairs to correct me if I am wrong in any of these figures. That, I submit, should have been greater. Early in December I received a very good brief from the University of British Columbia branch of the Canadian Legion dealing with this question of an increase in the grants for student veterans. They asked that there be set a minimum over-all increase of $20 a month, which they stated was vitally and urgently needed by all student veterans with unemployable dependents; that is, those with children or wives incapable of working or who support elderly parents. In the brief they submitted figures to show that the average married student was going behind at the rate of $35.67 a month at that time. Their figures were carefully prepared and were accurate. They were taken from the student veterans living in what is known as Little Mountain Camp, a former army camp, where there are several hundred veterans running their camp as a small town, and running it exceptionally well. I am sure that the figures taken by them would be accurate.

This increase of $10 a month is not made retroactive to October 1, as was done with the pensions and the war veterans allowances. For some reason or another it was made retroactive only to January 1. That, again, I suggest is unfair. These men have been in university since September. They have had these expenses for these months. They had been going behind in each one of these months last year, and this increase should have been made retroactive to October 1.

The single man should not have been left out. A significant statement was given to the press on February 17 by the students of Carleton college in Ottawa. Among other things they said:

While the married student is slightly better off, the single vet is still marking time. We feel the government decision is only a half-way measure.

The need for this increase is obvious. In every case the cost of living has gone up for the single man, even though the first claim must, of necessity, be that of the married man. I suggest that the single man should also have had an increase. I point out to the minister and to his associate, the Minister of Labour (Mr. Mitchell), that in the United States less than a week ago President Truman signed legislation increasing the benefits of two million veterans attending college under the so-called G.I. Bill of Rights, which raised the monthly subsistence allowance for veterans without dependents from $65 to $75; those with one dependent from $90 to $105, and those with two or more dependents from $90 to $120.

This liability to the veterans is not a continuing one. We shall have it for only two or three more years, and I do not believe that the government of Canada could make a finer investment than it is making in helping these young men and women to obtain an education. They will be the leaders of this nation within a very few years, and it is of the utmost importance to Canada that they should receive the very finest training that can be given in Canada. I urge the government to realize the difficulties under which they are working and to make a further increase, so that there may be no doubt that they will all be able to carry through until they obtain their degrees.

Another instance is the difficulty under the Veterans Land Act. There again the government has been trifling with the veteran and his problems. I am not going to go into it in detail, because the hon. member for Lambton West (Mr. Murphy) did that and did it well the other evening. But I endorse his demand that a royal commission be set up in Canada to investigate all these small housing programs. I believe that the government has paid, or has incurred costs for repairs, over and above contract price, up to a figure of something like $3,000,000. I believe also that there has been very little of that collected from contractors; and all the contractors I know who had anything to do with veterans

housing were in a position to pay for not completing their contracts. I cannot understand why the government should announce with such enthusiasm that it is going to pay $3,000,000 to make these houses right, and not give one little squeak about making the contractor pay that money. There is no reason at all why the taxpayers of Canada should be saddled with that expense. It should come from the pockets of the contractors. I repeat; a royal commission should be set up without further delay.

The fifth instance of trifling with the veterans' problems has been the treatment meted out by the government to the merchant seamen. They have been the completely forgotten men who took part in the last war. They were regarded by everyone as a fourth arm of the fighting services. Speeches to that effect were made by every cabinet minister from the Prime Minister down, lauding these men for the great things they were doing, and they were doing great things. The casualties in proportion to the numbers in the merchant navy were, I think, higher than in any of the other arms of the services; yet when it comes to the treatment of these men, the pensions, vocational and educational grants and preference in the civil service, they are treated as civilians. We battled that out on the floor of the house here last year. The government refused to include them in the veterans preference. A merchant seaman cannot get a pension unless he was wounded by direct enemy action. He cannot get educational benefits. He cannot get vocational training unless he takes it by way of training in the merchant navy. The merchant seamen are not being given a fair deal, and that is another position which must be remedied.

The final instance is the way that this proposed special committee of the house is being handled. The Prime Minister intimated to me yesterday, in reply to a question I asked, that probably the increases in the pensions would not be referred to the special committee which is to be set up. He said that it would probably be necessary to get that bill through in a hurry so that the veterans could get their money, and that, therefore, it would not perhaps be very wise to have the matter go to the committee.

The Minister of Veterans Affairs knows, and his parliamentary assistant knows very well that each time there has been a special committee set up to deal with veterans affairs it has been given very wide powers. It has been given an opportunity to review the whole field of veterans affairs. The committee has been as non-partisan as any committee in this house could be. Every member of the committee has considered it a privilege to serve, and the job has been well done. That was particularly true of the committee in 1945 and 1946. The veterans' organizations feel free to go before that committee and make representations, knowing that a fair hearing will be given and that the representations made will receive full consideration.

That, I suggest, is what should be done with the committee of this session. It was promised by the former minister of veterans affairs at page 4893 of *Hansard* of last year:

We shall have another veterans committee reviewing the whole situation as it did last year.

He made the same promise in Vancouver in November of last year, and we have always understood that the special committee on veterans affairs would be allowed to review the whole situation and do a proper job.

Mr. TUCKER: May I ask the hon. member a question? I am as much interested in this matter as he is. Is it not correct that if this bill went through this house and the other house and received the royal assent, these people would get the benefit of the increases much earlier, while that would not preclude us from going into the whole question of pensions, even after this bill had gone through?

Mr. PEARKES: Why wait?

Mr. GREEN: It might be that these particular amendments could be considered first and the other amendments later. The Canadian Legion and the other soldier organizations have asked that that question be referred to the special committee. Just this week, in fact yesterday, in the *Journal* the Reverend Sidney E. Lambert, president of the War Amputations of Canada said that his association had asked for an opportunity to appear before the parliamentary committee on veterans affairs on the question.

Mr. TUCKER: I do not think the hon. member got my point. Would it not be desirable to put the bill through at once and the matter could be considered by the veterans committee? They could go into the whole question even if the bill went through.

Mr. GREEN: If, in putting the bill through to provide for the increases announced, the government will say that these increases are only temporary, and that it will give any further increases recommended by the special committee, there might be something in the suggestion.

Mr. TUCKER: As the hon. member knows, the terms of reference to the committee would enable these pensions to be studied even if this bill did not go through.

Mr. GREEN: I repeat my suggestion. Mind you, if the government is willing to take the recommendation of that committee as to the amount of increase, I think there is a good deal in what the hon. member has said; but I am afraid the position is that the government has made up its mind that it will go thus far and no farther, and it is for that reason that it is willing to have the increases referred to the committee.

The committee should have been set up in December. The need existed then as it does now. Certainly it should have been set up at once when the house resumed on January 26, and I say it should now be set up without any further delay and should be given the power to deal with all these questions.

In conclusion, I warn the government that it must face each of these questions and it must face them at this session. There are other problems which I have not the time to deal with tonight, such as the question of pre-enlistment condition, the question of the benefit of the doubt, the fact that the wife of a veteran of the first war, married after the first of May, 1944, can get no allowance, failure to give imperial veterans war veterans allowance, and the need to give more assistance to such groups as the firefighters and auxiliary services, the young women who served in the Canadian Red Cross and the men who served in the ferry command. These are all topics which no doubt will be discussed by the committee and they, too, will have to be met during the present session.

There is this fact always to be remembered, Mr. Speaker, that the veterans' problems can never be finally disposed of and put away in a filing cabinet. As long as there remains one veteran of either war alive who needs assistance, veterans affairs must be a main problem for the Canadian parliament.

I think it was a mistake to make such a fuss about getting out a veterans charter in 1946. I said at the time I thought it was unwise to do so, because it gave the idea that everything was settled. We had a charter; there were no new problems that would arise and we could forget about veterans. Actually, this charter was just a revision and a bringing up-to-date of veterans legislation, and a worthwhile work it was too. But the problem will never be settled, and no matter what we do to help out Canada's veterans, we cannot adequately repay them and their dependents for the sacrifices that have been made.

Mr. A. W. STUART (Charlotte): Some little time has elapsed since the speech from the throne was read on December 6 last. However, I wish to join with those who have taken part in the debate in complimenting the mover and the seconder of the address in reply. In rising to take part in this debate, I do so as one who considers it his duty to express what he believes to be the opinion of the great majority of the people he has the honour to represent.

The matter I wish to discuss in this debate was introduced by the hon. member for St. John-Albert (Mr. Hazen) and the senior member for Halifax (Mr. Isnor). It has to do with the Atlantic seaports. On February 6 the hon. member for St. John-Albert brought to the attention of the house and particularly the Department of Transport the discriminatory attitude which this department had taken with regard to shipping through the ports of Saint John and Halifax. The hon. member for St. John-Albert spoke in this debate, as I say, on February 6, and the following day the Saint John *Telegraph-Journal* published the greater part of his remarks. The Department of Transport was accused of "bare-faced trickery" and "double dealing" with regard to shipments through the port of Saint John. On February 10 an editorial appeared in the Saint John *Telegraph-Journal*. I will not quote it all because it is quite lengthy, but I will quote the last paragraph which reads as follows:

> It is good to have one of our representatives in parliament speaking out boldly on behalf of our ports and it is to be hoped that other members from the maritime provinces will realize that this issue transcends party lines and will support the vital cause with equal force. If politics is discarded and our spokesmen at Ottawa show a united front on this question the ports of Halifax and Saint John will at last win justice.

I fully realize that the members from New Brunswick and the maritime provinces should endeavour to co-operate in every way possible when a question of benefits to our province or to the maritime provinces is concerned. I regret, however, that I cannot agree with statements made by the hon. member for St. John-Albert or by the senior member for Halifax. If cheaper freight rates can be obtained through Portland, Maine, than through Atlantic seaports the exporter will certainly take advantage of that situation; and in order to divert this traffic from its economic course the Canadian people would be called upon to subsidize Atlantic seaports. It is a well-known fact that the volume of United States goods shipped through Canadian ports is much greater than is that of Canadian

goods shipped through United States ports. Much serious thought should be given this extremely important matter before any action is taken by this government that might disrupt the national economic movement of goods between these two great countries. I am convinced that this would be an unpopular move. As has been argued on many occasions by hon. members sitting opposite, it is far better to let things such as this take their natural course than to interfere by substituting some artificial arrangement which at best would be only a temporary measure, not a permanent solution.

I might also add that if the same publicity is given in the press to my remarks as was given to those of the hon. member for St. John-Albert I have nothing to fear as far as my county is concerned. I am confident that I shall be expressing the views of the great majority of the people living in the county of Charlotte.

As hon. members are aware, Saint John is called a national port. We in Charlotte county believe this name should be changed, for this reason. If any Canadian outside the county of St. John makes an application for work at this port, he must pay an enormous fee, even though millions of dollars of Canadian money has gone in to build the port up. A citizen of Canada from outside St. John county must pay that fee. A citizen of St. John county is treated in an entirely different manner. The hon. member for St. John-Albert pointed out that a discriminatory attitude was taken by the Department of Transport with regard to shipments to Saint John port. I would ask him to explain the discrimination shown in this respect. It might be said that there is a selfish motive in the stand I have taken, and perhaps rightly so, because hon. members taking part in discussions of this kind usually speak for their own constituents who naturally have priority over all others; in many cases a general survey is not considered. This statement I believe can be borne out if we review the period when controls were being rigidly enforced in Canada. A control that was beneficial to an individual or his constituents received his support. Another that might be repulsive to him but of benefit to others was immediately condemned. In other words, we all supported controls on commodities we were obliged to purchase, but did not relish any interference with regard to commodities we might have to sell.

In my home town of St. Andrews we have for many years enjoyed the benefits of United States shipments through that port. It has also been an enormous source of revenue to the Canadian Pacific Railway Company. Each and every year hundreds of carloads of tin plate pass through this port to the state of Maine, hundreds of thousands of gallons of edible oils that are used in the canning industry, and thousands of tons of salt used also in this industry. These commodities pass through St. Andrews for one reason only: the freight rate from the western United States is cheaper through Canada than by United States railroads. Undoubtedly United States railroads have endeavoured to have these materials hauled over their own lines, and the same arguments have been put forth as were used by the hon. member for St. John-Albert and the senior member for Halifax. Regardless of political pressure and other influences, however, the canning industries in the state of Maine still take advantage of the cheaper rail haul, and, as I have said, much to the benefit of the county I represent, and to the Canadian Pacific Railway Company. After the salt, oil and tin plate reach their destination, raw materials must be found before canning operations are possible. That is where Charlotte county comes into the picture again, because we supply two-thirds of the raw materials used in this enormous canning industry in the eastern state of Maine; and from the time this industry was first established, these raw materials, which are produced by Canadian fishermen, have entered the United States duty free.

To give hon. members some idea of the production and the value of this industry, I shall quote just a few figures. In 1947, sardine fishermen of southern New Brunswick produced 122,000,000 pounds of sardines; that would be approximately 2,000,000 cases of 100 cans each, or, 200,000,000 tins. The value to the fishermen was $1,547,000. Approximately two-thirds of this amount were sold in United States of America. One can readily see the value of this United States market to the fishermen in that locality.

The story, however, is not yet complete with regard to the exportation of the canned sardines. Hundreds of thousands of cases, when ready for shipment, again find their way back to St. Andrews from Eastport, Lubec and Robbinston, Maine, and are shipped to all parts of the United States by the Canadian Pacific Railway, giving employment to dock workers, marine freighters and employees of the Canadian Pacific Railway Company.

It is true that the shipping through the port of St. Andrews would be a small item when compared with that of Saint John or Halifax; nevertheless it means a livelihood for several residents of the town and, indirectly, a benefit to many more. The limited amount of ship-

ping through this port is, I may add, not for the want of a harbour, because we have in the St. Croix harbour one of the finest in the world. As to size, it would be much greater than Saint John and Halifax combined; Portland could also be thrown in with plenty of room to spare. We who live in Charlotte county cannot understand why no effort has been made to develop a harbour that nature has practically completed for us. The old adage that "the squeaking wheel gets the most grease" might apply in this instance, because millions of dollars of public moneys have been wasted in dredging in other Atlantic ports—

Mr. ISNOR: None at Halifax.

Mr. STUART (Charlotte): —while this natural port, where dredging would be unnecessary, is being selfishlv neglected. Ships and cargoes valued at millions of dollars—and might I add that at the time those ships and cargoes were lost they were especially valuable; it was during the war—were lost inside Atlantic ports for one reason only, namely, compelling steamship companies and masters of steamships to navigate in harbours that are not, and never will be, safe for navigation.

Regardless of the amount of money expended in their development, St. Croix harbour has more to offer at the present time than any other harbour in the province of New Brunswick can ever hope to have. For many years the people of Charlotte county have endeavoured to have this great port developed, because it is recognized as one of the largest natural harbours in the world, in fact second to none. In Passamaquoddy bay the combined navies of the world could be moored in a landlocked harbour, the like of which cannot be found anywhere else on the continent of North America. During the war, when it was necessary to prepare convoys and arrange them before proceeding overseas, this wonderful harbour would have been of invaluable assistance, since it would have eliminated the necessity of loading freighters lying outside harbours in the open sea for many days awaiting the completion of the convoy, or awaiting berthing space. Many times during the war I criticized this practice, since I knew it was quite unnecessary. Many suffered through the selfishness of a few who sacrificed everything for personal gain.

I have had a few years of experience on the water myself, and I am well acquainted with the harbours on the Atlantic coast, having watched their progress over a period of years. So far, I have expressed my personal opinion as to the advantages of St. Croix harbour. At this point, however, I propose to put on record the opinions and recommendations of men far better qualified than I, who made a survey of this harbour in 1912 and 1913 at the request of the dominion government. At that time the citizens of Charlotte county were hopeful that something would be done in developing the harbour as a national port. One survey was made by Mr. A. D. Swan, member of the institute of civil engineers, and I should like to place his report upon *Hansard*. It is the St. Croix harbour report of 1912-13:

No. 406, Lake of the Woods building,
Montreal, March 4, 1913.

Hon. Robert Rogers,
Minister of Public Works,
Dominion of Canada.

Sir,—

St. Croix River, Charlotte County, N.B.

Having been honoured with instructions from you to examine into and report on the St. Croix river, in Charlotte county, New Brunswick, with a view as to its suitability or otherwise for a new deep water harbour which would be open all the year round for the largest class of merchant shipping, I beg respectfully to submit the following:

On 29th November, 1913, I left the port of Saint John, N.B., by tug boat and steamed down the bay of Fundy to the estuary of the St. Croix river, proceeding by way of Head Harbour passage, an opening between Campobello island and Deer island and distant some fifty miles from Saint John. The river St. Croix forms the international boundary between the state of Maine, U.S.A., and the province of New Brunswick, Canada. Having examined the entrance I continued up the river, passing the town of Eastport, Maine, on the left, till the town of St. Andrews, about fifteen miles from the mouth of the river, was reached. I examined the approaches to the port of St. Andrews and possible development from Passamaquoddy bay, and landing, examined the fore shore; after which I proceeded nine miles further up the river to Oak Point, the head of deep water navigation and situated about five miles southeast of the town of St. Stephen. I carefully examined the headland of Oak Point and The Ledge, as well as the Canadian side of the river, and later again visited the port of St. Andrews, also making myself conversant with railway facilities in the vicinity of St. Stephen and St. Andrews and the feasibility or otherwise of extending the railways with a view to the construction of railway terminals alongside deep water wharves. I visited the principal industries in the vicinity of St. Stephen within a radius of about ten miles, and inquired into the amount of present traffic, the existing conditions for handling same, and the reasonable probabilities for future development.

I again visited the river and vicinity on 23rd and 24th February, 1914, and after exceptionally severe weather, and found the river quite open for navigation. Thin ice had formed over it between Oak Point and St. Stephen, but a tug boat passed up without any difficulty whatever.

On this later visit, with your approval, I arranged with the shipping federation of Canada that they should nominate three experienced navigators to accompany me and give me their opinion of the suitability or otherwise of

the river and approach thereto from a navigable point of view. The representatives nominated and who accompanied me were Captain Gillies of the Donaldson Line; Captain Elliott of the Canadian Pacific Railway Lines; and Captain Kenny of the Head Line, along with whom I again inspected the river on board the S.S. *Lansdowne,* kindly placed at my disposal by the marine and fisheries department.

Copy of Navigators' report is appended hereto.

The St. Croix river is navigable for the largest class of vessels for about twenty-five miles in a northerly direction from Campobello island and the bay of Fundy. At its narrowest part between Deer Point and Dog island, near Eastport, the river is about 2,600 feet wide, and it has an average approximate depth at low water the whole way up to Oak Point varying from about 40 feet to 350 feet. For about eight miles of their course, vessels would pass through Passamaquoddy bay, which is approximately about twelve miles long by six miles wide, and which, having deep water, would afford magnificent anchorage if desired. The river and bay are at all seasons of the year free from ice, but there is a variation in the tide of about 24 feet between high and low water. The approach for vessels entering the St. Croix river from the bay of Fundy would be from Grand Manan channel between Grand Manan island and Campobello island, thence by Head Harbour passage; and I understand the Grand Manan or north channel is looked upon more favourably by navigators than is the channel to the south of Grand Manan island.

The heaviest storms in the bay of Fundy are generally from the southeast, so that as soon as a vessel rounded Head Harbour point, she would be perfectly protected. The current of the river is most rapid for a short distance between Deer Point and Dog island, where it varies from two to five knots, and there is a curve just off the town of Eastport. The radius of the curve would be approximately about one mile and a quarter, but the navigable part of the river or roadstead at that place is about 2,400 feet wide, and the current is comparatively small. It was principally on account of this curve that I desired an opinion from a navigator's point of view, but the three captains who accompanied me on my second visit of inspection unhesitatingly assured me that it did not present any difficulty owing to the great width, and that it compared very favourably with several curves in the St. Lawrence ship channel.

Next in the report is a section dealing with fog in the bay of Fundy and St. Croix river. I will not read this whole report, but a table is included giving a record of fog at Partridge island, near Saint John, and at St. Croix. For the years 1912-13 the average at Partridge island was 1,486 hours, while the average at St. Croix harbour was 395 hours. The report goes on:

It will be seen from the above that the duration of fog, snow or vapour, the three conditions which call for the operation of the alarm, was at St. Croix island in St. Croix harbour only 27 per cent of that at Partridge island at the entrance of Saint John harbour. It is further to be noted that immediately on the turn of Head Harbour, Campobello, the fog condition began to improve.

[Mr. Stuart (Charlotte).]

The next part of the report to which I shall refer is headed "Conclusion arrived at".

In considering the St. Croix river for shipping purposes, and as a possible auxiliary to Saint John, more particularly for the extensive traffic during the winter months, it seems to have many attractions, such as—It is some fifty miles nearer the mouth of the bay of Fundy than is Saint John. The distance from Montreal to Saint John by Canadian Pacific railway is 483 miles. The distance from Montreal to Oak bay, St. Stephen, by the Canadian Pacific railway is 438 miles; and if in the future a branch line is constructed from Mattawamkeag to Oak Bay, this would shorten the total distance from Montreal to Oak Bay to 410 miles. The river St. Croix and Passamaquoddy bay are comparatively well sheltered waters, never closed by ice, and protected from the swell of the bay of Fundy by numerous islands near the mouth; and as there is deep water right close in shore to the sides of the river and bay, practically no dredging whatever would be necessary to form a shipping channel. Leading lights for the guidance of shipping at night would, of course, have to be provided; probably some joint agreement regarding cost of same could be made with the United States.

Assuming, therefore, that the river offers reasonably attractive facilities for shipping, the question arises as to what part of the river should be developed first; whether St. Andrews ought to be the terminal or some point further inland; and I have no hesitation whatever in recommending that, because of its geographical position, as being the furthest point inland suitable for deep water navigation, Oak Point, overlooking Oak bay, should be selected as the terminus. Oak bay is a magnificent site, reached by a comparatively straight stretch of river, nine miles further inland than St. Andrews, with ample room for swinging and excellent accommodation for the construction of terminal facilities, in addition to which there is already the town of St. Stephen, a short distance off, with numerous industries, moderately large and rapidly increasing population, and varied commercial activities, affording an absolutely certain considerable amount of traffic the whole year round, the moment accommodation is provided. The land at Oak Point slopes gently towards the river and bay, and is all cleared and at present under grass. It is not that St. Andrews does not afford many most excellent points suitable for deep water terminals, but simply that by going further inland, the rail haul is shortened, and there already is considerable local business: nevertheless, if it should be considered advisable to construct one or more wharves at St. Andrews, the side of the river from Joe's Point upwards would be most suitable.

I therefore recommend with great confidence that wharf areas, railway terminals, roads and freight-handling facilities in general should be designed on a comprehensive, practicable scale, and constructed by degrees at Oak Bay as may be necessary. . . .

In conclusion, it is a recognized fact that no port in the world that has kept its facilities ahead of actual requirements, but has experienced immense development followed by great increase of trade and population.

I have the honour to be, Sir, your obedient servant.

A. D. Swan.

Just one other statement which, with the permission of the house, I should like to place on *Hansard*. This is a statement by Captain Mowatt who was for many years port superintendent for the Canadian Pacific Railway Company at Liverpool, England. He retired in September 1913. This was his report at that time:

The approach to the port of St. Croix via Head Harbour is equal to the approach of any other great ports in the world, and in many instances, excels the best for depth of water. There are no great ports which have such great depth of water, from the sea clear into port, as that of the St. Croix; it is such that the largest ships now in existence, and with the greatest draft of water, can enter the port at the lowest possible tide. The channels from Head Harbour into Passamaquoddy bay are such that the largest vessel that ever will be built, can be navigated with ease at top speed, with perfect safety. They are free from shoals and rock, and have ample width for turning a ship in the narrowest part. The tidal currents are nothing in comparison to the river Mersey (England) and other ports which I have navigated.

After rounding the Head Harbour light, there is good anchorage clear up to Oak Point. Passamaquoddy bay, being completely land-locked and having a comparatively even depth of water, affords good anchorage in any part of the bay. The current of the St. Croix river is not great, by reason of its evenness of width and depth of water. Vessels of the largest dimensions can lie and swing to single anchor, and with from seventy-five to one hundred fathoms of cable, with perfect safety in all parts of the river north and south of St. Croix island.

The shore on the east side of the river, from Joe's Point to and including Oak Point, is excellent for wharves and piers, and also for wharves running parallel with the shore line. The above wharves and piers can be so arranged and built that no dredging will be required. On the line of shore are no less than three sites where many dry docks can be easily built. On the banks of the river there is abundance of material for pier construction. In several places the banks and land elevation inland are perfect for grain warehouses, where cars can run over the top of the buildings and discharge into them, thus avoiding the expense of discharging grain by elevator from car to warehouse. There is unlimited caryard room in the vicinity of the above-mentioned sites. Fresh water for ships and other purposes is in abundance. Having large manoeuvring room where wharves are properly arranged, the largest vessels can dock and unload with ease, and without the aid of tug assistance.

Statistics clearly show no trouble to navigation from ice, and also that there is less fog difficulty than in many parts of the Atlantic coast. Emphatically speaking, in making this port from sea in any weather condition, there is no more danger than in making Halifax, Saint John, or even New York.

After careful investigation, I consider St. Croix river and Passamaquoddy bay equal to any in the world for a great national port.

In conclusion, I should like to say that during his visits to St. Andrews the Minister of Trade and Commerce (Mr. Howe) lived and played golf overlooking this harbour. The advantages it has over several other Atlantic seaports were brought to the attention of the minister. I am pleased to say he was favourably impressed. We, the citizens of Charlotte county, are hopeful that in the reconstruction program St. Croix harbour will not be forgotten.

In 1603 Champlain wintered in this harbour on Dochet's island. On the 350th anniversary of this historic event could one think of a more fitting commemoration than the official opening of the St. Croix harbour as a national port?

Mr. F. W. TOWNLEY-SMITH (North Battleford): Mr. Speaker, while the remarks I wish to make have a definite bearing on the people of my constituency, they also refer to the agricultural conditions of the country as a whole. Most of the people in my constituency make their living from the pursuit of agriculture. Their wants are not very great, and they are willing to turn their hands to fishing, trapping, lumbering and other pursuits when, through the effects of adverse weather conditions, they find themselves short of the funds required to purchase the necessary food and clothing for themselves and their families. In the more northerly parts they raise a certain amount of livestock, hogs and cattle, in order to add to their slender incomes.

It was, therefore, with great dismay that they saw the relation of feed costs and livestock prices get completely out of line. This was particularly distressing when they found out that, on account of the high prices of oats and barley, they could no longer afford to feed their livestock. This circumstance was and is very serious for them, because their incomes are derived from several small occupations, each of which must, of necessity, provide its necessary share.

Added to these difficulties which have been brought to my attention many times, is the fact that they are short of transportation facilities. When I first came to the House of Commons three years ago as the representative of those people I drew attention to the fact that they had through their country two incomplete railway systems. The ends had been built, but the middles had been left out; and they are still in the same condition. The end portions, fortunately, are still there; but the middle portions, unfortunately, are not. They were promised the completion of these lines many years ago, and I feel that without further delay something should be done about the matter.

I am happy to say that on one of these gaps an engineering construction and survey gang was working last summer, and I should hope that the Minister of Transport (Mr. Chevrier) would do his level best to see that these lines are completed in the near future. I refer to the branch lines of the Canadian National Railways; and the gaps I have mentioned are those between Frenchman's Butte in Saskatchewan and Heinsburg in Alberta, and from St. Walburg in Saskatchewan to Beaver River. I feel that when those people, who were pioneers and have gone through all the difficulties and hazards accompanying pioneer life, went into that new country and were promised railway facilities, the least we can do is to see that they get them. We made a bond with those people and we should see that the bond is honoured and observed.

As I have said, the principal occupation of the people in my constituency is the production of foodstuffs. I believe it would be a fair statement to say that the most important thing in the world today is food. We in Canada may have some difficulty in realizing that fact because we have always had plentiful supplies of the more important varieties of foodstuffs we require. All food comes from the soil, and when the psalmist said that all flesh is grass he was speaking a profound truth. Agriculture is an honourable and important industry. We have heard it said many times that it is the backbone of the country. Therefore it follows that the people who engage in the occupation of tending the soil are the most important people among the workers of the world. With the world in its present state of food shortage the importance of the workers of the soil has been emphasized and perhaps brought closer to its real classification. Even now the true value of the things we eat and wear in comparison with the cost of other things leaves much to be desired.

It has been said with a good deal of truth that prices of farm products are the last to go up and the first to come down. It is just possible that when we have quoted the prices of foodstuffs that have prevailed in times past we have not had a fair realization of what such prices entailed. Certainly we could not have had much idea of the true value of those things which are so vital to us and which sustain life in all the peoples of the world. When we hear such quotations as eggs at ten cents a dozen, butter at fifteen cents a pound, meats at fifteen cents a pound, wheat at fifty cents a bushel and other grains at corresponding prices, we are simply recalling to mind the dreadfully unfair conditions which were imposed upon our farmers in those days. Prices such as those which were obtained by farmers not a great number of years ago never provided a decent living for them and were a shameful commentary on the manner in which our major industry was considered and treated. It was only by the farmer working unbelievably long hours; it was only by his pressing into service his wife and children that he was able to stay on the farm. Indeed many thousands left the farm and the industry was in a really precarious position for a number of years.

I have suggested before, as have others, that some effort should be made to relate prices of farm products to each other and also to other things. That is what we have in mind when we talk about parity prices. It is futile to hold meetings and conferences and endeavour to advise farmers how to operate their farms. When prices of livestock are completely out of line with price of feeds the farmers will produce whichever shows a promise of success. No amount of sage advice or statistical sermons will change their intentions. If it is found that the production of a certain commodity entails a loss they will stop producing it in a hurry and no man can blame them. If it is felt that a greater number of hogs are desired, either for our home market or for the export trade, the simplest way to get them is to raise the price of hogs and bring that price into proper relationship to the price of feeds and other things.

A great deal has been said in this house about the difficulties of the farmer who is trying to raise hogs and stay in business. I wish to deal with this matter in detail so that hon. members may appreciate those difficulties and realize why hog production has fallen off so badly. I should like to refer for a few minutes to the statement made by the Minister of Agriculture (Mr. Gardiner) after he quoted that famous letter in which a Manitoba farmer said that he would trust to God and Gardiner that things will come out better than they appear right now. The statement made by this farmer must have sounded quite effective and interesting to those who did not check it carefully, or who did not really know a great deal about the hog business. I quote from the letter, which appears at page 502 of *Hansard*:

> Total hog sales, $4,426.52. Total feed costs, $1,966.10. Margin of hog sales over feed, $2,460.42.

The only charge made against the hogs is the cost of feed. Industrialist members will appreciate that. They know what would happen if they tried to estimate their profit at the end

of a year by just charging the cost of their raw materials and forgetting all about labour and all other costs that creep in, such as interest on capital laid out and so on. This man simply charges the one item, and he takes the difference between the cost of that item and the amount received from the sale of his products as his net. The minister then went on to say:

> I submit to the house that this simple method of bookkeeping is the method followed by 90 per cent of the farmers of this country.

That is to say, 90 per cent of the farmers of this country are simple if they use that kind of bookkeeping. Also hon. members of this house must be simple if they believe that 90 per cent of the farmers are using that method of bookkeeping. I do not believe it at all.

That man who was giving those figures in connection with his hog raising business must have been an outstanding farmer. He stated that in 1946 he sold 133 head with a percentage of 59·4 grade A, which is the highest grade you can get for your hogs. Just before coming to the chamber, I looked up the Department of Agriculture livestock market review of February 12. In that review actual figures and quantities are given, but I have worked out my own percentages, which I believe are reasonably accurate. According to that review, there was the following production of grade A hogs in January, 1948:

	Per cent
Ontario	41·5
Saskatchewan	31
Manitoba	27
Alberta	22·7
British Columbia	27
Quebec	27
Maritimes	41·8
Canada as a whole	30

Far be it from me to question the accuracy of this gentleman's bookkeeping, but in a province which produced only 27 per cent of grade A hogs he is supposed to have produced 59·4 per cent. Apparently he is a superfarmer. I worked out myself the cost of production, and I should like to present this to hon. members so that they will have an accurate picture and can contrast it with what is given on page 502 of *Hansard*. It may possibly demonstrate that the Manitoba farmer felt that he needed a little more help than that of the minister. The formula for feeding, which we have observed for a great many years, has been that it requires five pounds of feed to make one pound of hog. That has been the accepted formula, and it is very near to accuracy right now. The live weight of a select hog is 200 pounds. Its age, if you have a man who is a good feeder, would be six months; that is to say, the feeding period would be four months, because a good strong weanling is eight weeks old. Reckoning and calculating along that formula—and I have put on this sheet everything in a very conservative way; if anybody wants to challenge the figures, I have another sheet underneath this one which really is tough; I have been so careful to get this reasonably right that I probably leaned over backwards on it—I find that it requires 1,000 pounds of feed to produce a 200 pound hog, or five pounds of feed to a pound of hog. That is the equivalent of twenty-two bushels of barley. These figures were drawn up about a week ago. In the meantime the prices have changed a little bit, but not very much. Twenty-two bushels of barley at $1.20 a bushel equals $26.40. That is the only item that was charged against the pig in the statement made by the minister; but the cost of this weanling pig, the cost of the pig when it was eight weeks old, also comes into my picture. The value of these pigs varied all the way from $5 to $10.

Mr. GIBSON (Comox-Alberni): I thought they were giving them away a little while ago. That is what the hon. member for Dufferin-Simcoe (Mr. Rowe) said.

Mr. TOWNLEY-SMITH: The cost of a weanling pig is somewhere between $5 and $10, so I put it down at $7.50, which is a reasonable figure. Salt, minerals and skim milk work out to $2.50, and the chopping of the feed comes to eighty cents.

We shall now talk about labour. Hon. members understand that. I estimated that it takes an hour and a half a day to feed ten pigs. We feed these pigs three times a day, and half an hour each time is occupied in taking care of ten pigs. I do not think anyone would quarrel with that. That works out to ten and a half hours a week, because they have to be fed on Sundays too. In four months of feeding time that equals 168 hours for ten pigs, which is 16·8 hours a pig. I am allowing the farmer 75 cents an hour. I do not know whether anybody wants to quarrel with that unless he says it is not enough.

Mr. GIBSON (Comox-Alberni): That is more than they pay in the box factory.

Mr. TOWNLEY-SMITH: At 75 cents an hour labour comes to $12.60. I have charged for the hauling of these fat pigs to the railway station, but I have not charged very much. I reckoned that it took half a day. I am taking the situation on my own farm; we reckon it takes half a day for a man and a team to get the pigs to town, and that costs $2 for a man and a team for half a day, or twenty cents a pig. All these costs added

together come to exactly $50. I have not made any extravagant claims at all. This 200-pound pig dressed weighed 175 pounds on the rail. If it graded A, and I am giving it the benefit of the doubt there, it would be worth $26.40 per 100 pounds, or $46.25 for a 175-pound pig. If it is a grade A pig we also get a $2 premium, so that brings the total amount of the pig up to $48.25. But in pig raising, as in any other line of endeavour, we have occasional losses. We find that our losses approximate ten per cent; that is to say, something happens to one pig in ten; ten per cent failed to get to the rail. Ten per cent taken off $48.25 is $4.80; therefore our total returns for the pig we are talking about is exactly $43.45, and the cost of raising it was $50. In other words, the net loss is $6.55 a pig.

As I said, everything is conservatively estimated. If somebody wants to start an argument on these things I have another sheet which brings the net loss per pig up to $27.31.

Mr. ARGUE: That is more nearly right.

Mr. TOWNLEY-SMITH: That is the one I am ready to argue on. As a matter of fact, it is closer to the true situation. It is very funny—if you are not raising pigs.

Mr. GIBSON (Comox-Alberni): If you are a member of parliament it is funny.

Mr. TOWNLEY-SMITH: If hon. members will accept the figures in the first statement I made it will give a good reason why hog raising is going out of favour, and it will continue to do so while the situation exists as I have described it. It is a serious matter, because we have to get this proper ratio in agriculture of livestock raising. It must be kept in proper line for economic reasons and for good farming and agricultural reasons; and if we are to let this thing slip in this way we shall get into difficulties eventually.

A few more figures on Canada's pig business might also be illuminating. According to the Canada Year Book, 1947, in 1943 there were 8,148,000 head of swine in Canada. In 1946 these had shrunk to 5,377,000, or a drop of 2,771,000 head; that is to say, in 1943 there were fifty per cent more pigs in the country than there were in 1946. To use Canada Year Book figures, this represents a decrease, which I consider to be very conservative, of $62,725,000 in four years. When we consider that this is just one branch of one industry, it is a very serious situation indeed.

In Saskatchewan alone the hog population shrank in the same time from 1,754,000 to 757,000. That is roughly a million head, with an estimated value of $22,600,000, again using Canada Year Book figures. I believe that a proper relationship of food and livestock prices would change this situation. The farmer is getting 25 cents a pound for his dressed pork. The spread between 25 cents and the price of pork and bacon in the shop is too great. That 25 cents could be boosted to 30 cents, which would make hog production more worthwhile, and it should not be necessary to raise the price to the consumer.

If the industry is to survive, some formula will have to be found so that it can be carried on without running the operators into bankruptcy, and also to provide them with such living standards as will give them pride and satisfaction in their work.

Another thing which is causing agriculture some concern is the rumoured shortage of tractor fuels. We have now come to the time when oil is forming the base of the greater part of farm power, and a shortage coming at a critical time could cause a complete upset in one year's crop. The important thing to remember in connection with this matter is that farming operations are seasonal and that time is of the essence. Unlike manufacturing or industry, which can close its doors and vacate its benches at any time when difficulties crop up, and start up again in a week or a month or six months, when things are straightened out; if plowing, cultivating and seeding are not done within specified time limits it is quite useless to attempt to do them later, and the opportunity is lost for that year.

There is now very little horse power used except on small farms, and it is highly important that steps should be taken well in advance to ensure a sufficient supply of fuel for the tractors. It will probably surprise some hon. members to learn that the numbers of tractors in the three western provinces are given, at a rough estimate, as 35,550 for Manitoba, 57,740 for Alberta and 83,700 for Saskatchewan for the year 1947. This is an estimate only and I believe it to be an understatement.

From the figures secured from the "Monthly Report on Refined Petroleum Products in Canada", issued by the Department of Trade and Commerce in November, 1947, page 13, I find that 46,105,850 gallons of tractor distillate were distributed in the three western provinces of Manitoba, Saskatchewan and Alberta. From the same source we find that 310,485,000 gallons of motor gasoline were sold in 1947 in these provinces, not necessarily, of course, for tractor fuel.

I think, however, having regard to the number of tractors operating in the west, that considerably over 100,000,000 gallons of fuel will be required for farm operations in 1948. This

again is only an estimate, but I believe it is reasonably accurate. Arrangements for such a large quantity of oil must be made, as I said, well in advance and the fate of this year's crop and farming operations depend upon having oil available at the right time and in the right place.

It is also to be hoped that some form of control will be placed on the price of oil so that it cannot get entirely out of reach. A Saskatoon coal merchant is calling attention to the fact that fuel oil for stoves has jumped from 12½ cents to 22 cents in a year, and car drivers in the west are paying 47 cents a gallon for their gasoline. These are just a couple of reasons why production costs of farm produce are mounting all the time.

There are several other things I wish to mention but I shall not have time. There is, however, one thing I think is of interest. I have mentioned it before and I believe it could be mentioned again with advantage.

This is taken from the "grain market features", which is issued by the Searle Grain Company, Limited, of Winnipeg, and I am going to quote it:

> The American magazine, *Fortune*, in its January issue, published an article which states that "Canadian farmers could not survive the competition of American farmers under conditions of a tight market." The reason, says *Fortune*, is that "U.S.A. farmers have superb technical and scientific guidance that is not available to Canadian farmers." *Fortune* is also of the opinion that our scientific agricultural work has dropped so far behind that Canada's only hope for the future lies in her industries.
>
> Those who are familiar with Canadian agriculture, and who have tried to keep in touch with work in the U.S.A., will rub their eyes with amazement when they read this article. We have not space to give the full details of the splendid work done by scientific agriculturists in Canada, but we can as an example mention one single phase of scientific activity which is of paramount importance to our prairie farmers—the recent breeding and introduction of better varieties of cereals to contend with our peculiar prairie conditions. These comprise nine varieties of wheat, five of oats and twelve of barley, most of them produced by our dominion experimental farms and the dominion rust research laboratory, others by our universities. These improved varieties, which spring from that rare quality, i.e., vision, and the high talents of one section of our Canadian scientific agriculturists—our skilled plant breeders and plant pathologists—have alone brought additional wealth to Canada that amounts to more than all the dominion appropriations made to agriculture since confederation.
>
> *Fortune*, therefore, is in error, but in error at the moment only, for we venture to prophesy that if the present meagre appropriations made by the dominion government to agriculture are not expanded, then in a few years' time this article in *Fortune* will correctly portray the Canadian situation. The fact is that the breeding and production of these outstanding varieties of cereal stocks, and the progress made in other phases of scientific agriculture, have been the accomplishments mainly of a mere handful of older men, of such loyalty to this country that they have placed their service to Canadian agriculture far above their own material interests; for the sad truth is that in recent years, whenever a Canadian scientist in agriculture has shown signs of talent, he has immediately been offered a position in American agriculture at considerably higher salary than he can receive in Canada, and so we lose our rising talent. As our present older men retire the probability of their valuable work being continued is remote indeed unless parliament sees proper to change the present unsatisfactory situation. Apparently we can train and develop skilled agricultural scientists in this country, but we are unwilling to retain them to serve Canada.
>
> *Fortune* no doubt observed that for the year 1947 the appropriations made by the government of Canada to Canadian agriculture for ordinary and special expenditures amounted to just under 28 million dollars, whereas the total appropriations made by the U.S.A. to their agriculture were $1,247,000,000. The United States has twelve times the population of Canada, and so our Canadian government's appropriation for all agricultural services should in comparison be around 100 million dollars annually instead of the niggardly 28 million only which is made.
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> And then there is the other most important matter of the salaries paid to our agricultural scientists. Compared with salaries paid to similar scientists for similar work in the United States, the Canadian scale from the very highest to the lowest classification is stinted and totally inadequate.
>
> We note that the appropriation by parliament for family allowances for 1947 was 245 million dollars. This is a bonus granted mainly for the purpose of feeding our children better, but surely the first thing required is to have more and better food produced, and at lower costs of production, so that it can be made available to children and to the people at cheaper prices and still with profit to farmers. Progressive agriculture is the only way to achieve this desired goal; to have better paid scientists, who consequently will stay in Canada, is the only way that such progress can be attained. By being so penurious with our appropriation to agriculture, so parsimonious with salaries to scientists, and yet so fantastically generous with family allowances, are we not "putting the cart before the horse"?
>
> Considering all this, then, it certainly seems as though parliament should materially increase appropriations to agriculture, and should very considerably increase salaries to all classes of workers and officials engaged in scientific agricultural work.

Another point I wish to make is that it is a remarkable thing that we have not been able fully to appreciate the fact, although it has been brought before us several times during our lifetime, that when agriculture is prosperous the rest of the country is prosperous also. We have a tremendous home market for most of the things we manufacture. Just listen to this, which is taken from a publication recently issued by the Ontario govern-

ment and called "A Conspectus of the Province of Ontario," prepared by the Ontario bureau of statistics and the research section of the department of the provincial treasurer. At page 32 the conspectus states:

Over 50,000 Ontario farmers have no automobile.
Over 160,000 Ontario farmers have no motor truck.
Over 140,000 Ontario farmers have no tractor.
There are less than 9,000 threshing machines in Ontario to serve 178,000 farmers.
Ninety per cent of Ontario farms have no milking machines.
Thirty per cent have no binders and thirty per cent have no cream separators . . .
Over 145,000 farm homes have no means of refrigeration.
Over 160,000 farm homes have no vacuum cleaner.
Over 60,000 farm homes have no radio set.
Over 125,000 farm homes have no running water in their homes and no equipment for pumping water.
Over 85,000 farm homes have no telephone...
About 130,000 farm homes are still heated by stoves and have no furnaces.
Over 160,000 farm homes are still using outside toilets and have no inside toilet facilities.
Over 160,000 farm homes have no bath tub or shower equipment.

Mr. FRASER: You are getting them now since the Conservatives are in. There are changes from the time when the Liberals were there.

Mr. TOWNLEY-SMITH: If the money is available for these things, they will be bought. No one is more liberal with his money than is the farmer, especially with regard to things which are needed in his home or in his business.

Mr. K. R. DANIEL (Oxford): During the course of this debate, Mr. Speaker, we have heard hon. members on all sides of the house eulogize the beauties and charms of their constituencies. Just the other night the hon. member for Fort William (Mr. McIvor), who did a most excellent job, waved his arms skyward to emphasize the height of the mountains back of Fort William in the Thunder bay district. I really believe he convinced the majority of the members of this house that perhaps, after all, the Rocky mountains or even the Alps were mere dwarfs in comparison. However, I must admit that, in the many times I have gone through Fort William, I must have been looking out the wrong window because the most I saw were a few hills out there in lake Superior.

I should now like to offer some observations with respect to the riding of Oxford which I have the honour to represent in this house. It took me some time to appreciate just how much the debate on the address in reply to the speech from the throne meant to the ordinary backbencher. I can now understand that it offers an opportunity to acquaint my fellow members and the government with some of the problems we face and at the same time to tell you, Mr. Speaker, something about our industries and the contribution we make to the general welfare of our country. I was going to tell you just where Oxford was, but the hon. member for London (Mr. Manross) yesterday afternoon did that very well. He said that London was on the main line of the Canadian National Railways, the Canadian Pacific Railway and also on No. 2 highway. He could have gotten around that much easier by saying is was only some fifteen miles from Oxford.

I have always been under the impression that the speech from the throne represented an outline of the government's program for the coming session. If this were literally true I would be compelled to say that the speech, as read by His Majesty's representative, was lacking in that type of legislative program which our people expected of this government. I could not help but admire the fine effort made by the mover and the seconder under what must have been a rather trying experience. However, their defence of this administration was commendable and causes one to feel that they must have been carefully selected and well coached for the task.

Mr. GIBSON (Comox-Alberni): Cabinet material.

Mr. DANIEL: Oxford county is about equally divided between a rural and an urban population. The rural part of the riding is noted for its production of dairy products, livestock and tobacco, along with other commodities pertaining to the average agricultural community. To the hon. members who were speaking of the beauty of their constituencies, might I say that beauty is all right; but, after all, I have always understood that beauty is only skin deep. When you want something to eat, you have to go back to Oxford and get some of that grand mellow cheese for which our county has been noted over these many years. In addition to our dairy products, we have livestock and, of late, tobacco. I may say that Oxford county, Elgin county to the south, Norfolk county, Middlesex county and Brant county are now all in the tobacco business; and during the last ten years this business has made great strides in my riding of Oxford. You will understand then, Mr. Speaker, that my primary concern is for our basic producers. They want some assurance as to the future. This is not in evidence at this time.

According to press reports, beef and bacon slaughterings and shipments are far outrunning the needs of the domestic market and the United Kingdom contract objectives. So great is this excess that press reports, based on official department figures, indicate that the normal requirements for the United Kingdom for the first quarter of 1948 have been met, or more than met, in a single month. I may say that on Saturday I shall have the honour of introducing the Minister of Agriculture (Mr. Gardiner) at the Oxford county federation of agriculture meeting in my riding. As regards all the nice things I am going to say about him, I will mean everything I say. But I doubt whether some of the farmers may feel that way. There may be some doubting Thomases when they come. But I am sure that after hearing the minister on that occasion, they will all go away feeling much better. However, the minister has assured the Canadian farmers that the prices and the quantities of meat that Britain will take under the United Kingdom agreements are fixed for the entire year. That applies to the contracts generally, but what will the situation be with respect to the surplus supplies that Canada now has on hand or in sight?

At the present time Britain takes Canada's food products under a part cash, part credit arrangement and, under the contracts themselves, it was stipulated that Canada and Britain would discuss the financial arrangements involved in three months. Sir Stafford Cripps, Britain's author of austerity, is now painting a gloomier picture of Britain's financial position. In the light of the apparent fact that Canada has on hand surpluses of meat probably far more than will be required to carry over and take care of the short delivery seasons, I am wondering if the Canadian government is looking to the possibility of enabling Britain to purchase these supplies; or can this be taken as an indication that Canada is about to extend further credit to the United Kingdom? If the current supply situation continues it would appear that the government soon might be confronted with a choice of two courses: either propping the market at home by giving further assistance to the United Kingdom, or permitting the domestic market to become glutted with a resultant slump in meat prices here.

During this session the house and the country have heard a great deal about the confusion, if not chaos, into which the nation's business and industry have been plunged by the so-called austerity program of the government. In my own constituency this might well be pointed out by a reference to the position in which the flue-cured tobacco growers now find themselves. Now as never before, the tobacco industry, and agriculture generally, need a forthright policy of guidance. For twenty long years the flue-cured tobacco industry has struggled to develop a market in Great Britain; but because of the uncertainty of Britain's austerity program the tobacco industry is now in danger of losing that outlet. At present the industry is equipped to produce from 110,000,000 to 130,000,000 pounds of tobacco a year, in a normal growing season. Canadians are using annually about 70,000,000 pounds of flue-cured tobacco, and it is this surplus of 50,000,000 pounds, which they might export if there were a market for it, that is giving concern to the tobacco men. The tobacco growers of western Ontario are considering a course whereby they might reduce their acreage in order to hold down to a minimum any surplus or export carry-over. It would seem to me a tragedy in this day and age that an industry equipped for far greater production should have to cut back, particularly when there are ready markets for its product. In order to save the British tobacco market for Canadian growers, the government might have seen fit, either to assist Britain obtain her normal requirements, or to offer some measure of assistance to growers to carry over any surplus they might produce this coming year.

Before I deal with other matters concerning my riding, I should like to read into the record a resolution which has been forwarded to me by the Oxford county council:

The following resolution sponsored by the Ontario federation of agriculture was presented to Oxford county council at its January session and approved:

Compensation for T.B. Tested Cattle

Whereas the dominion Department of Agriculture is proceeding to extend the area of T.B. tested cattle, in several counties in the province of Ontario;

And whereas the compensation paid to the farmer for cattle was the price that was paid for compensation in effect during the depression years;

And whereas the counties so affected authorized the test, when the compensation set up corresponded more closely with the actual value of the cattle so tested;

Therefore be it resolved that the compensation paid the farmer be increased to correspond with present day value of the cattle so tested, and made retroactive to the beginning of the area tests in 1947.

I should like to remind hon. members, especially those who come from rural areas, that last session several hon. gentlemen rose and asked the minister when the test would take place in their counties. I remained

silent in my seat, because I knew very well we were in for grief once that test was carried out. I know we should have the test. We should have had it long ago. In Oxford county we were just ready to proceed with it when the war came along. At that time the compensation would probably have been satisfactory, but at the present time it is certainly out of line with the price of dairy cattle. According to the last estimate I saw, we have something like ninety thousand cattle in Oxford county, including at least sixty thousand milch cows. The average cow has four teats. Multiply sixty thousand by four and you get 240,000, so that you will understand that the dairy farmer has to have a lot of pull to get along under existing conditions.

As I was saying, the price paid at the present time for these reactors is a maximum of $60 for a grade cow and $150 for a purebred cow. But the government do not go that far; they pay only two-thirds of the value, so that the maximum the farmer can receive is $40 for the grade cow and $100 for the purebred cow, while at the present time the price of a good ordinary grade cow is from $150 to $200. These veterinaries have been in there now since last November. In the wintertime the farmers do not fare so badly, for the reason that Holstein-Friesian cows predominate in Oxford county and because of the fact they are in better flesh. After a Holstein cow has been in milk period for, say six weeks, she begins to look more or less like a hatrack. If that cow should be a reactor and have to go to the slaughter house the farmer really has not much of a chance, because she is classed as a canner, and on the market today a canner brings something like seven cents a pound live weight. If the cow weighs 1,100 pounds that means $77. The government seldom pay the maximum amount of $40; they pay something like $30 or $35, so that the farmer gets only about $100. The people on whose behalf I am speaking tonight include many young chaps, returned men who have just started within the last year or two. If they lose their cattle they will be up against a really serious loss. I know that a few weeks ago one veterinarian tested seventy-five cattle in one day on one road. When he came back three days later and took his reading, seventy-five cows went to slaughter.

Some hon. members may wonder why a farmer keeps these cattle, why he does not realize that they are suffering from tuberculosis. Well, as yet no man has discovered a way to tell at a glance whether or not cattle are diseased. A few years ago I was in the wholesale butcher business, and some of the worst cases I found would be cows that looked in perfect condition, with large, bright eyes, sleek coats, fat and all the rest of it. When I would open up one of those cows, however, I would find she was only fit for the tank. I have sent many of them to the fertilizer plant in my territory. So the farmer has no way of knowing until this test has been carried out. I might say the test is also going on in the county of Perth, where they are about two-thirds finished. They are not finding as many reactors there as in Oxford, and I think the reason is that in Perth they have more beef cattle, whereas in Oxford we have more dairy cattle. Of the ninety thousand cattle in Oxford county there are some 548 herds of purebred cattle. They are not all Holsteins; we have a few Ayrshires, Guernseys, Jerseys, a few herds of Herefords, and some Aberdeen Angus beef cattle. So that this is a very serious situation, and I hope the minister will take cognizance of the facts I have mentioned.

In my riding there are many industries which, in common with other industries throughout Canada, made outstanding contributions to the nation's war effort. We have a fair diversification of industry in our town and I should like to refer to a few of them. We have a screw, nut and bolt factory in the town of Ingersoll. This is a modern factory. Throughout the war it manufactured a great deal of materials for aeroplanes, trucks and automobiles. At the present time it specializes in steering gears and axles for automobiles, as well as bolts, screws and nuts of all kinds for various manufacturing firms all across Canada. This company has some very large machines of a most modern design. Rods of steel are inserted at one end of those machines, and screws, bolts or nuts come out of the other end, complete with threads and ready for shipment. They are turned out, thousands per minute. Some of those machines are such that one man can operate as many as three machines.

We have also two stove factories where they make furnaces, heating and air-conditioning equipment. We have also a shoe factory and a factory which manufactures handles for forks, hoes, shovels and garden tools. We have also many condensing factories. Let me point out that at the last session of parliament the hon. member for Hastings South (Mr. Stokes) rose on a question of privilege and pointed out to the house that the county of Hastings produced more cheese than any other county in Ontario in 1946. Well, I would point out to the hon. member that if in the county of Oxford we manufactured all

our milk into cheese we would be so far ahead of Hastings there would not be any comparison at all. Besides cheese factories, we have at least eight evaporated milk plants, where they make evaporated milk of all kinds, including sweetened milk, powdered milk, powdered skim milk, ice cream mix and other brands.

We also have a plywood factory. Our plywood factory, located at Woodstock, is a branch of the largest plywood factory in the world. It located in Woodstock only two years ago and spent in the neighbourhood of $2,000,000 in enlarging the plant. Just to show the purposes for which plywood can be used, they have erected two modern homes in Woodstock, made entirely of plywood, with the possible exception of the roofs and flooring. All the house, inside and out, is made of plywood. I believe that plywood is the coming construction material, and that in a few years it will be used much more extensively than it is at the present time.

We have also knitting mills, underwear manufacturers, ladies' hosiery manufacturers, textile plants manufacturing textiles for car upholstery and furniture covering. No matter what kind of car Your Honour or other hon. members drive, the chances are the upholstery in those cars was made in Woodstock.

We also manufacture garden tools, and we have two large fertilizer plants. And, speaking of fertilizers, I have noticed in the last three years there seems to be a habit among members in the house to kick the fertilizer firms around, alleging that they overcharge. When the proper time comes in the session I may have something more to say in that connection, because I have some facts and figures which would prove that fertilizers are not priced so much higher than they were before, when one considers the extra costs the companies must carry to bring the ingredients of their products to Canada. Some of those ingredients come from California, some from Florida, some from Chile, some from Germany and others from France. So, taking the over-all picture, I do not believe the fertilizer companies are charging exorbitant prices for their fertilizers.

We also have a paper box factory and a factory turning out electrical equipment. We have a furniture factory. Then, in the valley of the Thames river we have a mine. It is not an underground mine such as some hon. members may have in their constituencies. It is what I might call an open pit. Out of these large holes in the ground we have companies taking out limestone. That limestone has the highest calcium content of any limestone on the North American continent. It is an extensive business. Fifty years ago the farmers used to go down to the river in the summertime when the water was low, and load up their wagons, taking their loads to higher ground, then burning it so that it could be used for plastering purposes later on. However, with modern machinery they use excavating machinery with which they take off the topsoil to a depth of about fifteen feet, thereby baring the clean rock. Then the drillers come along and drill holes at intervals all across the face, for a distance of probably 500 or 600 feet. After the holes are drilled, they put in charges of dynamite with the result that one blast brings down enough rock to keep the men working down in this pit a hundred feet below the surface of the ground. They have down there some small donkey-engines and steam shovels. They also have diesel shovels. The material is shovelled on to cars and taken away. This limestone is used by over one hundred different manufacturing firms in this country at the present time. Several train loads are shipped each day, a great deal of it going to the United States, and we should have in return a great many United States dollars in Canada.

It is my considered opinion that government interference, regulations and restrictions have played havoc with the industrial life of this nation. I would urge the government to quit meddling with private enterprise. Give our leaders of industry an opportunity to run their own affairs. Otherwise the government should have the courage to lay down a long-term program instead of hopping about and changing its mind every twenty-four hours.

This country is seeking leadership and, in order to reach our full destiny, that leadership will have to come. Otherwise, all effort will be hamstrung and those who are the most capable will be kept in a strait-jacket.

Canada is a great producing nation. We produce far more than we can consume. Our surplus must find its way to the markets of the world in competition with the products of other countries. Costs of production, therefore, become a vital factor and one of the costs which bears most heavily is taxation. This country is weighted down with enormous burdens of taxation, and if the government hope to stimulate trade and commerce they should seek to lessen this burden. To accomplish this, a greater efficiency in the government is necessary. Much of our industrial unrest could be settled if the worker had more take-home pay, and certainly buying power could be stimulated if the government would cut this enormous sales tax of eight per cent which is a multiple tax, in fact a tax upon tax, pyramiding itself until the ultimate consumer is paying mostly tax.

The income tax, too, is due for a sharp revision, particularly as it affects the smaller income groups. The fact of the matter is that taxation in Canada has today reached such a peak that it is defeating its own purpose. It is hampering our producers and is a burden on our consumers. It is restricting production and reducing purchasing power.

Mr. Speaker, it is a great privilege and honour to represent the riding of Oxford. It is a privilege, too, to be a member of a free parliament and to bring to your attention the observations I have made. I hope that the administration will hearken to the voice of reason and that they will seek to give effect, or at least earnest consideration, to the recommendations I have made.

Mr. J. S. SINNOTT (Springfield): Mr. Speaker, what we need most in Canada today is a through trans-Canada highway. There is a notice of motion standing on the order paper in the name of the hon. member for Cochrane (Mr. Bradette), which reads:

That, in the opinion of this house, the government should consider the plans for a national highway across Canada, and entering into discussions with the provinces, with a view to its completion as soon as men and materials become available.

The need for this road was never greater than it is right now. We talk about saving United States dollars and I cannot think of a better way of saving those dollars than to have this road built. If we in the west want to come here by car to represent our constituencies we must drive for two days through the United States. We have to convert our Canadian dollars into United States dollars. I do not know how many thousands of motorists coming to eastern Canada from the west have to do the same thing.

We read in the papers that there is unemployment in various parts of Canada. These unemployed are being paid out of the fund which was created by the dominion to take care of them. We do not want to see again the camps that were established in 1930 and 1931. We want this thing taken care of and these men paid a decent and fair wage.

I should now like to say something about my constituency. There are many things in my constituency which could be improved by the opening up of the country. There are resources there which have never been touched. Last year the provincial government built a road to Cat lake, and the miners tell me that the lithium deposits there are so great that they cannot estimate their worth. A company in the United States has a formula whereby it can produce lithium at from forty-five to fifty cents a pound, but this formula is not available in Canada. I have been in touch with the Minister of Mines and Resources (Mr. Glen), and he tells me that chemists in Ottawa are trying to work out a formula so that this mine can be opened up and the product sold on the markets of the world in world competition.

Practically all the power developed in Manitoba is developed in my constituency. The great Winnipeg river is harnessed in only a few places, but there are five or six other falls which could be developed. A million and a quarter dollars are being spent this year at the little town of Seven Sisters to enlarge a power plant which has been running at only half capacity. When this is completed next year this plant will develop 225,000 horsepower.

At the present time a total of 35,000 horsepower is being used on farms in Manitoba. Power is being made available to 5,000 homes a year, but it will be some considerable time before enough power is developed to take care of the needs of rural Manitoba. The little town in which I have lived for years is not far from a power plant. It is a shame that the rest of rural Manitoba does not have the benefit of this power. We see the power lines going right by our door and we have no benefit as yet from it.

On motion of Mr. Sinnott the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. KNOWLES: Bill No. 3 tomorrow?

Mr. ST. LAURENT: Bill No. 3 tomorrow. If it is disposed of, probably Bill No. 7 will follow.

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

HOUSE OF COMMONS

Friday, February 20, 1948

The house met at three o'clock.

Mr. D. J. McCUAIG (Maple Creek): Mr. Speaker, I am a little hard of hearing, and yesterday, in the course of my speech, the hon. member for Vancouver North (Mr. Sinclair) interrupted me and I failed to hear the interruption. Had I heard what the hon. gentleman said, as reported in *Hansard* at page 1386, I would certainly have replied to him. I quote *Hansard:*

> Mr. Sinclair: Mr. Speaker, I respectfully submit that if the hon. member is going to abuse cabinet ministers and members on this side of the house he should at least do it from his own thoughts and not from a prepared manuscript such as he has been reading since he began to speak.

I emphatically declare, Mr. Speaker, that neither Mr. Lewis nor anyone other than myself had any part in my speech, nor did anyone else know what I was going to say. I expressed my own thoughts in my own words, and I think it is unbecoming a man and a member of parliament to make the statement I have quoted. I ask the hon. member to withdraw it.

Mr. SINCLAIR: Mr. Speaker, the point of order to which I rose on the occasion to which the hon. member refers was the fact that he was reading his manuscript. After hearing the manuscript read I am quite prepared to believe that Mr. Lewis did not write it.

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, I rise to a question of privilege on a different matter. Yesterday afternoon, during the course of the debate on the address in reply to the speech from the throne, there was a period of about two or three minutes, which all hon. members will recall, when some things were said which were rather disgraceful. There were remarks about multiple marriages, anti-semitism and a few things like that, and references to a member not having sense enough, together with demands for withdrawal, and so on. I was ashamed that such things were said on the floor of the house, but my question of privilege is this. I discovered that the proceedings for that whole period of two or three minutes have been completely deleted from *Hansard.* I am sure I express the views of many members when I appeal to all hon. members to stop embarrassing the editors of *Hansard,* who are doing a good job, and stop embarrassing Your Honour by asking for the deletion of remarks merely because members are ashamed of those remarks later on. *Hansard* is doing an excellent job. In my view it is ninety-nine and forty-four one-hundredths per cent correct, but these occasional deletions and changes are giving a wrong impression in the country.

Mr. SPEAKER: I may say to the hon. member that the words to which he has reference were deleted from *Hansard* with the consent of all the members concerned and I believe it was in the interests of the house.

Mr. KNOWLES: Was it with the consent of the house?

Mr. SPEAKER: It was with the consent of the members interested.

Mr. KNOWLES: But we are all interested, Mr. Speaker.

Mr. G. A. CRUICKSHANK (Fraser Valley): In connection with *Hansard,* the hon. member for Vancouver South (Mr. Green) insinuated that I might not be in the cabinet. I object to that.

VETERANS INSURANCE ACT

AMENDMENTS WITH RESPECT TO ELIGIBILITY, ETC.

Hon. MILTON F. GREGG (Minister of Veterans Affairs) moved the first reading of Bill No. 60 (from the senate) to amend the Veterans Insurance Act.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 61, for the relief of Simone Boily Whitelaw.—Mr. Maybank.

Bill No. 62, for the relief of Ernest Alfred Coker.—Mr. Maybank.

Bill No. 63, for the relief of Clarence William Henry Hodgson.—Mr. Maybank.

Bill No. 64, for the relief of Vera May Paulson Ward.—Mr. Maybank.

Bill No. 65, for the relief of Ruth Ethel Attwood McVicar.—Mr. Maybank.

Bill No. 66, for the relief of Henry George Halsey.—Mr. Maybank.

Bill No. 67, for the relief of George Crosby-Wilson Gray.—Mr. Maybank.

Bill No. 68, for the relief of Joseph David Ernest Paul Maysenhoelder.—Mr. Maybank.

Bill No. 69, for the relief of Myrtle Macdonald Heale Daniluk.—Mr. Maybank.

Bill No. 70, for the relief of Robert Grincill Barnet Jones.—Mr. Maybank.

Bill No. 71, for the relief of Gertrude Katherine Margolis Bird.—Mr. Maybank.

Bill No. 72, for the relief of Cecilia Maud Wood Marshall.—Mr. Maybank.

Bill No. 73, for the relief of Beatrice Doris Haggerty Goodier.—Mr. Maybank.

Bill No. 74, for the relief of Joyce Knowles Ledoux.—Mr. Maybank.

Bill No. 75, for the relief of Robert Ernest Beadie.—Mr. Maybank.

Bill No. 76, for the relief of Grace Davis Park Parr.—Mr. Maybank.

Bill No. 77, for the relief of Jeanne Crete Benoit.—Mr. Maybank.

Bill No. 78, for the relief of Sarah Cummings Menzies Carlin.—Mr. Maybank.

Bill No. 79, for the relief of Annie Goldenberg Schulman.—Mr. Maybank.

Bill No. 80, for the relief of Clarice Jean Field Campbell.—Mr. Maybank.

Bill No. 81, for the relief of Georgina Claire Williscroft Bovard.—Mr. Maybank.

Bill No. 82, for the relief of Saul Jack Costin.—Mr. Maybank.

Bill No. 83, for the relief of Mary Shore Bernstein.—Mr. Maybank.

Bill No. 84, for the relief of Saul Ettinger.—Mr. Maybank.

Bill No. 85, for the relief of Lloyd Arthur Davies.—Mr. Maybank.

HOUSE OF COMMONS

APPOINTMENT OF SPECIAL COMMITTEE TO CONSIDER MR. SPEAKER'S REPORT ON PROCEDURE

Right Hon. W. L. MACKENZIE KING (Prime Minister): I might say just a word, Mr. Speaker, about the resolution respecting the setting up of a special committee to consider with His Honour the report that was laid on the table of the house with regard to procedure. If there is no desire to debate it, it might pass immediately. That would enable the committee to function immediately. If, however, there is likely to be a debate on the resolution, it had better stand until later.

[Mr. Gregg.]

Mr. JOHN BRACKEN (Leader of the Opposition): We on this side of the house are prepared to support the resolution in all except one of its details. The leader of the official opposition will be unable to act, but in his place I suggest the hon. member for Peel (Mr. Graydon). I support the resolution and ask that the change I have suggested be made later on. We think the proposal is a good one. We shall do all we can to improve the procedure of the house through this effort.

Mr. ANGUS MacINNIS (Vancouver East): We have no desire, Mr. Speaker, to debate this matter at the present time. As the leaders of parties are busier than ordinary members, the leader of this group may not be able to act at all times either.

Mr. SOLON E. LOW (Peace River): We do not wish to debate the resolution. I suggest to the Prime Minister that he proceed.

Mr. MACKENZIE KING moved:

That a special committee, consisting of Mr. Speaker, Messrs. St. Laurent, Claxton, Bracken, Coldwell and Low be appointed to consider the report on the procedure of the House of Commons of Canada laid on the table of the house December 5, 1947, and to report to the house thereon.

It is understood that when this motion carries, substitutions will be made for one or more of the names that appear in the motion.

Motion agreed to.

Hon. LIONEL CHEVRIER (Minister of Transport) moved:

That the name of Mr. Graydon be substituted for that of Mr. Bracken on the special committee appointed to consider the procedure of the House of Commons.

Motion agreed to.

BUSINESS OF THE HOUSE

PROPOSED ADJOURNMENT FOR JULY AND AUGUST IF PROCEEDINGS NOT CONCLUDED BY JUNE 30

Right Hon. W. L. MACKENZIE KING (Prime Minister): This might be an appropriate moment to mention, if the house will permit me to do so, Mr. Speaker, that in the event of the proceedings of this session not being concluded on or about the end of the month of June, the government has decided to ask and will ask for an adjournment of parliament over the months of July and August, to resume in September.

Mr. GRAYDON: May I ask the Prime Minister if there is any special reason for the adjournment that he would like to divulge to the house?

Mr. MACKENZIE KING: It is much in the public interest.

HARBOUR COMMISSIONS

NEW WESTMINSTER—REFUNDING OF DEBENTURES, GUARANTEE OF LOANS AND REDEMPTION OF SECURITIES

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

That it is expedient to present a bill to provide for the refunding of certain debentures of the New Westminster harbour commission; the government guarantee of substituted securities therefor, and the making of loans out of the consolidated revenue fund to redeem securities that may be refunded.

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

Motion agreed to.

LABOUR CONDITIONS

ROBERT SIMPSON COMPANY REPORTED REPLACEMENT OF CANADIANS BY BRITISH WORKERS

Mr. ALISTAIR STEWART (Winnipeg North): I should like to direct a question to the Minister of Labour. Can he give the house any information as to the dismissal of workers by the Robert Simpson Company in Toronto and their replacement by British workers hired by the same company in the United Kingdom?

Hon. HUMPHREY MITCHELL (Minister of Labour): I have had inquiries made and the assurance is given by a director of the Robert Simpson Company Limited, under whose jurisdiction the personnel department falls, that not one employee has been dismissed to make places for others hired in the United Kingdom or who have been taken on from amongst those recently arriving from the United Kingdom. There was a report that a painter employed by the firm had been dismissed to provide a job for a British immigrant. I am informed that the man was dismissed because he was not capable, and that officials of the union to which this man belonged are quite satisfied as to this.

Might I say this, Mr. Speaker, moving as we are into a period when immigration will accelerate, I hope that nothing that is said or done in this house will re-create the conditions we experienced when I first came to Canada—"No Scotsmen or Englishmen need apply."

CANADIAN ARMY

REQUEST FOR PAYMENT OF PACIFIC PAY TO SURVIVORS OF HONG KONG

Mr. J. A. ROSS (Souris): I should like to direct a question to the Minister of National Defence. In view of the answer given the hon. member from Nanaimo on Wednesday, February 18, that Canadian soldiers who fought in the Pacific did not receive the special Pacific pay while those in training in the United States did, will the government now grant this Pacific pay to the survivors of Hong Kong?

Hon. BROOKE CLAXTON (Minister of National Defence): I should say, Mr. Speaker, that this question was given most serious and sympathetic consideration immediately after the survivors of Hong Kong returned to Canada. At that time representations were made to the government by a number of members, among whom were the hon. member for Spadina (Mr. Croll) and the hon. member for Essex West (Mr. Brown). Later on questions were asked which resulted in an order for return being made on May 28, 1946, when the matter was again re-examined. An answer was also given this week. In view of the fact that the Pacific rate of pay was made applicable only to members of the Pacific force, it is felt that it would not be justifiable to extend it to those who served in that theatre under quite different conditions and at an earlier date.

Mr. GRAYDON: Under terrible conditions.

Mr. G. R. PEARKES (Nanaimo): I wish to ask a question which is supplementary to the one asked by the hon. member for Souris (Mr. Ross). Can those men who served in No. 1 special wireless group in the Pacific be considered eligible for the Pacific pay? If not, would the minister, in order to avoid any misunderstanding, change the name "Pacific pay" to "American pay"?

Hon. BROOKE CLAXTON (Minister of National Defence): I believe the question just asked by my hon. friend has been raised on the defence estimates and on a number of other occasions, and there is no change in the answer then given.

HOUSING

INQUIRY AS TO RENTAL CEILING INCREASE

Mr. H. G. ARCHIBALD (Skeena): I should like to ask a question of the Minister of Finance. Is it the government's intention

wherever it occupies the position of landlord to raise rents in all parts of Canada? If not in all parts, where?

Hon. DOUGLAS ABBOTT (Minister of Finance): So far as I know the government has given no consideration to the question raised by the hon. member.

INCOME TAX

EXPENSES INCURRED BY TEACHERS IN TAKING SUMMER SCHOOL COURSES

On the orders of the day:

Hon. J. J. McCANN (Minister of National Revenue): Yesterday the hon. member for Dauphin (Mr. Zaplitny) asked this question.

Has the minister received any representations from the Manitoba teachers' society, or teachers' organizations in other provinces, in connection with deductions from taxable income of expenses incurred while taking summer school courses? If so, is the minister prepared to give consideration to their request?

I promised to give an answer today. According to my office I was correct when I said no representations had been received from the Manitoba teachers' organization, but we have received representations from other teachers' organizations, the Ontario teachers' association and the Canadian federation of teachers' associations. The answer given them, which still holds, is that expenses incurred in attending conventions are not a deductible expense for income tax purposes.

Mr. ZAPLITNY: The minister refers to expenses incurred in attending conventions. My question had to do with expenses in connection with summer school courses. I am not sure whether the minister understood me.

Mr. McCANN: The same decision applies.

VETERANS AFFAIRS

STATEMENT AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Hon. MILTON F. GREGG (Minister of Veterans Affairs): On Monday last I promised that by the end of this week I would give a progress report on the preparation of legislation affecting veterans affairs. As will be noted, the resolution dealing with amendments to the Pension Act is in *Votes and Proceedings* today and will be on the order paper Monday. A similar resolution dealing with war veterans allowances will follow very shortly thereafter.

[Mr. Archibald.]

VETERANS LAND ACT ADMINISTRATION—REFERENCE TO PUBLIC ACCOUNTS COMMITTEE

On the orders of the day:

Mr. DONALD M. FLEMING (Eglinton): May I ask the minister if he is now in a position to answer the question submitted to him on January 27 last? It appears at page 591 of *Hansard* as follows:

In view of the revelations in the public accounts committee last summer in connection with the administration of the Veterans Land Act, will the minister be prepared to submit this question to the public accounts committee before the ultimatum issued by the department is pressed . . . ?

The minister indicated that he would consider the point and answer it later. The following day, January 28, the question was repeated at page 637 of *Hansard,* as follows:

Is the minister in a position now to answer the question I asked him yesterday with reference to submitting this whole question—

That was the Veterans Land Act administration.

—to the public accounts committee or a royal commission?

The minister answered:

I am not in a position to answer that today.

Will the minister indicate when the house may expect an answer to this question?

Mr. GREGG: As soon as possible.

HONG KONG

EVIDENCE TAKEN BEFORE DUFF COMMISSION

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Some days ago my hon. friend the leader of the opposition (Mr. Bracken) asked me about the tabling of the evidence taken by the Hong Kong commission, and I replied that before giving an answer as to what the government might decide to do in that matter I wished to communicate with the British government in order to obtain their views. A little later I will be glad to give the house the views of the British government on the matter, but I wish to show the leader of the opposition a cable I have received in reply before I make a public statement. The communication was received only yesterday, so I have not been able to bring its receipt to the attention of the house before today.

Mr. GRAYDON: May I ask the Prime Minister if his remarks with respect to the

Hong Kong evidence apply equally to the letter written by Premier Drew, about which there has been some discussion in the house?

Mr. MACKENZIE KING: I should think it would, but I would have to re-read the letter of Premier Drew to make sure whether it contains references to parts of the evidence to which the British government takes exception to publicity being given.

FOREIGN EXCHANGE CONSERVATION

PROHIBITION OF CERTAIN IMPORTS AND PROVISION FOR IMPORT QUOTAS AND PERMITS

The house resumed from Tuesday, February 17, consideration in committee of Bill No. 3, respecting emergency measures for the conservation of Canadian foreign exchange resources — Mr. Abbott — Mr. Macdonald (Brantford City) in the chair.

On schedule I.

Customs tariff—87. Vegetables, fresh, in their natural state: asparagus, green beans, Brussels sprouts, cabbage, carrots, beets, n.o.p., cauliflower, egg-plant, celery, cucumbers, lettuce, parsley, green peas, rhubarb, spinach, tomatoes, watercress, whitloof, endive, and fresh vegetables, n.o.p.

Mr. CRUICKSHANK: I have not taken any part in this debate, but now I want to ask the minister a question. I am not particularly worried whether Toronto or Moose Jaw can secure celery or lettuce or some of these other things right now, but the people of my riding are particularly interested in whether they are going to be protected from dumping if they grow these vegetables and fruits. This matter has been brought up already by some Ontario members, and I believe by the hon. member for Kamloops. We all know what has happened in the past, under all governments. Pears, for instance have been brought into Canada in order to keep up prices in Washington. Peaches have been dumped in our province for the same reason. As far as the minister can give us an assurance, we would like to know that this will not be permitted in future. We would also be interested if the minister could give us some idea of the length of time we will continue under the present program. In British Columbia we can produce all the cabbages necessary for the whole of Canada, but that will require expensive equipment, such as sprayers, planting machines, and so on. We cannot go to that expense unless we are sure how long the program will last. So I should like to know just how far the minister can go on behalf of the government in giving us an outline of the situation at the present time.

Mr. ABBOTT: As the committee knows, a number of hon. members have raised this question and have asked whether I could give any assurance as to the length of time during which these restrictions are likely to be in force. The hon. member for Fraser Valley discussed that question with me, and I have been giving a good deal of thought to it. As I have said on other occasions, these import restrictions on fresh fruits and vegetables are intended to be temporary. They are put on as a necessary measure to conserve exchange, and the government would not feel justified in continuing them beyond the period of time when our exchange position makes it necessary. Therefore it is the policy of the government to relax and remove the restrictions as soon as the exchange position justifies that action. In other words the government is not prepared to retain these measures indefinitely as a protection to the fruit and vegetable industry. The permanent and continuing degree of protection to the industry is provided, of course, in the existing customs tariff.

I realize, however, that the growers of these fruits and vegetables are placed in a difficult position with respect to planning increases in production; and while I am conscious of the risks and dangers of trying to make predictions, as I said before, I think I can go this far. As I now see the situation and as I now view the prospects of our exchange position I think it is highly improbable that a complete removal of these restrictions with respect to fresh fruits and vegetables will occur much before the end of this calendar year, and it may be that some degree of restriction will continue into the early part of 1949. As far as possible it would be the government's intention not to remove or relax these import controls at a time when that action would have serious or disastrous effects on the marketing of Canadian produce. But I cannot bind the government to any unconditional guarantee that no produce grown in Canada in 1948 will have to face any competition from imported goods. As I said nearly three months ago, the government intends to relax restrictions on basic or essential items such as cabbages, carrots, potatoes and onions when it becomes clear that Canadian supplies are nearing exhaustion.

Mr. FARQUHAR: May I ask the minister why our Canadian growers of vegetables cannot compete successfully with United States growers without tariff protection?

Mr. ABBOTT: I do not know; I imagine they can. I suppose what the hon. member for Algoma East has in mind is that there might be dumping, or something of that sort. But I do not see any reason why our growers cannot compete with American growers.

Mr. CRUICKSHANK: I wish to make it perfectly clear that the farmers of the Fraser valley can compete. We do not want protection; but neither do we want dumping in our province.

Mr. REID: One of the reasons we feel we cannot compete is that in the country to the south of us on account of climatic conditions they can grow two or three crops. I know of districts where they are growing three crops of vegetables each year. Crop after crop is taken off; because of the warm weather and irrigation facilities the people in those areas can grow those crops and flood our market. That is one of the reasons why we in British Columbia cannot compete.

Mr. PEARKES: I cannot help expressing some surprise at the minister's statement. On numerous occasions hon. members on this side of the house have asked the minister for a statement as to how long these restrictions are to be kept on. I have asked the minister three times, and he has refused to give me an answer. But the moment a back bencher from his own party gets up the minister is only too pleased to reply, and to supply the information. I imagine that is because of the speech made last night by the hon. member for Vancouver South, when he urged that there should be a cabinet minister from British Columbia. May I extend my congratulations to the hon. member for Fraser Valley if he is to be the appointee.

Mr. ABBOTT: I always like to answer questions from anyone, but particularly from the hon. member for Fraser Valley. However, I believe my hon. friend will recall that I did preface what I had to say with the statement that this question had been raised by a number of members.

Mr. POULIOT: Mr. Chairman, I have some figures respecting Canadian exports of fresh vegetables to the United States in the twelve months ended October 31, 1947. Those figures are as follows:

Item	Value
Onions	$ 15,059
Potatoes (except seed)	2,577,912
Turnips	2,064,336
Other vegetables	257,540
Total	$4,914,848

It will be noted that the chief exports of fresh vegetables from Canada to the United States were of onions, potatoes and turnips. This figure is to be subtracted from $16,894,871, which is the total of Canadian imports from the United States of fresh vegetables during the twelve months period ended October 31, 1947.

I asked for these figures from the bureau of statistics in November of last year so that I might know the exact position when the minister made his statement. I believe they reveal the true picture of what happened in the preceding twelve months. It will be noted that some of the vegetables which appear in tariff item 87 are not mentioned particularly. I refer to the de luxe varieties such as Brussels sprouts, eggplant, parsley, watercress, whitloof and endive. These vegetables must be included, to a value of $864,000.

The complete list of imports of fresh vegetables from the United States for the twelve months ended October 31, 1947, is as follows:

Item	Value
Asparagus	$ 483,133
Beans, green	506,949
Beets	146,281
Cabbage	954,552
Carrots	1,228,252
Cauliflower	436,266
Celery	2,453,501
Cucumbers	331,112
Lettuce	2,931,168
Mushrooms	7,290
Onions	673,565
Peas, green	170,530
Potatoes, sweet	589,883
Potatoes, n.o.p.	1,182,181
Spinach	333,758
Tomatoes	3,601,767
Other vegetables	864,683
Total	$16,894,871

This means that with total imports of $16,894,871 and total exports of $4,914,848 we have a difference of about $12,000,000, or about one dollar per capita of our population.

Total imports from the United States entered for consumption in Canada during that period were valued at $1,953,742,000. This is the trade of Canada with the United States during the twelve months ended October 31, 1947. Exports of Canadian produce during the same period were valued at $1,008,494,457 and exports of foreign produce at $22,500,000. If we subtract the total of exports from the total of imports we find that the unfavourable balance of trade with the United States during the twelve months ended October 31, 1947, was $942 million odd. The unfavourable balance in respect of vegetables is only $12,000,000, a small amount compared with the total unfavourable balance. The largest import item is tomatoes, which totalled $3,601,767. The next is lettuce, $2,931,168; then celery, $2,453,501 and then

potatoes, n.o.p., which I assume would cover fresh potatoes, $1,182,181. Then the next item is carrots, $1,228,252.

During the war we were told to eat more vegetables. Considerable propaganda was put out to the effect that we should eat more vegetables, that they were good for health. They were recommended for the young and the old. The production of vegetables is not an easy matter in most parts of this country during a large part of the year and therefore we have to import from the United States. Vegetables are necessary to provide a well balanced diet, and I do not see why we should deprive ourselves of these vegetables from the south when they are supposed to be so good for all. It would not interfere with the farmers to permit them to come in. At the present time farmers do pretty well with the production of vegetables. They have their own markets and many of them can vegetables during the summer for consumption during the hard months of the year. Does it mean that simply because these items have been included it is impossible to change them? If it is impossible to change them, why discuss them?

I know the minister is a reasonable man and if something is submitted to him it may be possible to convince him that it should be changed. If, as the minister has said, this is a temporary measure, why does he insist on keeping it in force? The result will be that farmers in some parts of the country will try to raise these vegetables. If the minister was in earnest when he said that this measure was temporary then those people will be greatly disappointed when the legislation is no longer in force. They think that they will have the Canadian market during the winter, but there are some difficulties in their path.

One difficulty in having fresh vegetables grown in British Columbia sold in the east during the winter is the high air freight rates. If those vegetables could be sent to the east in refrigerator cars where they would be kept in good condition at ordinary freight rates, it would be possible for the farmers of British Columbia to increase their production of fresh vegetables. We in the east know how delicious are the apples of British Columbia during the winter, but they are most expensive. There again it is a question of freight rates.

Is it necessary to insist so much on a matter which could be settled amicably and would be for the benefit of the country? It seems to me that it should be possible to convince our farmers in a reasonable and commonsense way that this is a condition which has existed for a long time; that it will not ruin the country to bring in vegetables from the United States to an amount of nearly $17,000,000 when we export vegetables to that country to an amount of nearly $5,000,000.

Someone said that the $180,000,000 which would be needed for Newfoundland was just peanuts. The amount involved in the importation of vegetables is around $15,000,000, only about one-twelfth the amount. I hope the minister will reconsider this matter. If we are to go through a period of austerity I would recall to him that those who take the vows of poverty exist on a vegetarian diet. They are austere people. We see them going around barefooted asking for alms. They live on vegetables because vegetables are the food of the poor. Why not let these vegetables come in? It would involve an amount which is trifling when compared with the unfavourable balance of trade with the United States. Besides that it would be good for the health of the Canadian people.

I am not going to press the matter further. I have given these figures in the hope that the minister will understand. I am quite sure he does. It is possible to disagree with him at times and have good reasons for doing so. It is possible to improve this bill and that is why it is before the committee. I agree entirely with the suggestion made by the hon. member for Winnipeg North Centre.

This is not a party question. It is not a case of one group gaining a victory over the minister. It is simply a discussion by plain men who want to make the best of it. If we have to wait until the farmers in other parts of Canada are able to produce the vegetables we are now importing we shall have nothing in the meantime. I cannot understand this austerity when we cannot eat vegetables although all the store counters are loaded with candies, chocolates, fancy biscuits, and the like. I leave it to the minister in the hope that he will make the right decision in the matter.

Mr. ABBOTT: May I say just a word in reply to the hon. member for Temiscouata? I think the figures which he has quoted are substantially accurate. There is no question of depriving the Canadian people of fresh vegetables; it is simply a question of excluding during the winter months certain fresh vegetables, notably lettuce, tomatoes, green beans and the like.

It is true that the savings on vegetables are only about $17,000,000, but included in our total import figures are a great many items which it is virtually impossible to exclude,

such things as fuel, coal and the like. In this list of prohibitions the fresh fruit and vegetable item is by far the largest single item. My hon. friend is not a Scotsman but he has probably heard that many a mickle makes a muckle, and that applies in this case. Total imports of fresh fruit and vegetables are close to $70,000,000, and we estimate that the savings in the excluded class and those under quota will be approximately $40,000,000. That is an appreciable figure, and an important one in our attempts to solve this balance of payments problem.

I am sure there are ample supplies of good canned vegetables in Canada. Neither I nor my family have found difficulty yet in obtaining them. Supplies are ample at present of green cabbages, which are being admitted under quota, and I gave the assurance some three months ago that the four main vegetables, potatoes, onions, carrots and cabbages, when domestic supplies became low would be allowed to be imported by relaxing the restrictions.

I have a memorandum here from the Department of National Health and Welfare as to the relative nutritional values of various vegetables. It is dated February 2, and it might be well to put it on record. It is as follows:

> The following classification is essentially the the same as one prepared in 1942 by the advisory committee on nutrition to the foods administration, on which our Doctor Pett and Miss Speers served. This rating was set up to have a wider use than simply with imported vegetables.

Here is the rating, under the headings, Important, Desirable, and Limited Importance:

> Important: Potatoes; root vegetables, especially carrots and turnips; green vegetables, especially cabbage, spinach and Brussels sprouts, but not including lettuce; peas and beans (dried); canned tomatoes.

It will be noted there is no mention of fresh tomatoes. It goes on:

> Desirable: Beans, green or wax; fresh canned tomato juice; canned peas.
> Limited Importance: Pickles, relishes, sauces, vegetable juices, and vegetables (fresh or canned) not named above.

I repeat what I said before: I am satisfied there will be no shortage of vegetables in Canada this winter. There will be limited or no supplies of some fresh vegetables, notably lettuce, and to some extent imported tomatoes, but I am sure that the health of the Canadian people will not suffer as a result of these restrictions. I must point out to the committee that these vegetables form the largest single item in this list of prohibitions. I do not feel that we should entirely eliminate that item from the list. It may be possible to provide some relaxation through larger quotas when the need arises, but I feel that this item of fresh fruits and vegetables should not be excluded from the schedule.

[Mr. Abbott.]

Mr. SMITH (Calgary West): The minister mentioned the matter of health. I told him two or three days ago that I had had communications from persons suffering from two types of illness, high blood pressure and diabetes, and that I had been informed that for these illnesses fresh vegetables, lettuce, tomatoes and so on, were required. That has been my information. The minister said he would consult the Minister of National Health and Welfare, who is here. Is he in a position to tell me whether or not the information I have been given is correct? I look at it in two ways. If it is correct, something might be done. If it is not correct, a statement might ease the minds of those who are affected.

Mr. ABBOTT: A general statement to that effect would be incorrect. There have been a few permits issued in special cases for special conditions which existed, but one cannot lay down a general rule that lettuce is necessary for this particular condition or that tomatoes are necessary for that.

Mr. SMITH (Calgary West): May I ask if the two types of illness I have mentioned are included in the cases where special permits have been granted?

Mr. ABBOTT: I am told that it would not be generally true of diabetes and high blood pressure, but sometimes there are special complications in respect to those and other types of illness.

Mr. SMITH (Calgary West): I conclude, then, that one person with some complications might apply for a permit to import, which would be entirely useless because as an individual he could not import lettuce from California or Texas.

Mr. ABBOTT: There have been three or four cases in which special permits have been granted, based on a medical certificate.

Mr. SMITH (Calgary West): Granted to individuals?

Mr. ABBOTT: Yes.

Mr. SMITH (Calgary West): And they import their own requirements?

Mr. ABBOTT: I suppose they would do it through a dealer.

Mr. SMITH (Calgary West): More power to them.

Mr. KNOWLES: The hon. member for Calgary West seems to think this government moves in a strange and mysterious way its wonders to perform. However, I am glad we have the support of the hon. member for Temiscouata in our opposition to this ban on fresh vegetables, and I hope he will be able to gather further support on that side of the house.

Mr. POULIOT: It is a friendly opposition.

Mr. KNOWLES: As long as you stand up and vote against this ban it is perfectly all right with us if you smile while you are doing it.

I doubt whether members of the committee are much impressed by the statement the minister has read about the effects of these various vegetables on health. The very fact that he has just admitted to the hon. member for Calgary West that there are some diseases for the alleviation of which certain vegetables are needed to the extent that their importation is permitted raises the whole question whether the lack of these things will involve the risk of certain diseases occurring. In this day and age we are concerned with health in a preventive way as well as in corrective medicine, and I strongly urge that we are making a mistake if we trifle in this way with the health of our Canadian people. I shall not go into these arguments at any further length because we went into them the other night when the matter was before the committee. But I do wish to say a few other things arising out of exchanges that took place earlier this afternoon.

I noticed that when the hon. member for Algoma East expressed his desire that we avoid a policy of protection, at least four or five members on the Liberal side of the house applauded that sentiment. In other words, the ideal of freedom of trade has not entirely died within the Liberal party.

Apart from that, Mr. Chairman, I ask hon. members to consider the terrible state of uncertainty into which this whole thing is thrown by the kind of announcement the minister made this afternoon. He was asked some time ago from this side of the house how long these restrictions would last, and he said he could not say. Today he gave a tentative answer to the member for Fraser Valley which sounded something like in terms of a year. That is not long enough to be protection in the sense that it would enable the fruit and vegetable growers in Canada to change their methods behind such a protective wall, but on the other hand it is long enough to have the effect of denying these essential foods to our people. It throws both producer and consumer in Canada into a state of great uncertainty. It seems to me that the only answer to this thing is to look at it in terms of health, and when it come to that I think we should take no chances but do what we know to be best in the long run for the health of the people we represent.

When from this group an amendment was moved to another clause in the bill having to do with the non-discriminatory provision, the Minister of Finance not only argued against it on his own behalf but stated emphatically the government's opposition to the measure. He gave as one of his reasons the fear that it would offend the United States if we were to pass the amendment moved at that time by the hon. member for Kindersley. This is not in that category. There is no danger of giving offence to the United States if we delete item 87 from the schedule.

Mr. ABBOTT: We would lose a lot of exchange, though.

Mr. KNOWLES: Well, there are other items upon which that exchange might be picked up. But some of us are not convinced that this is the best way to overcome our shortage of United States dollars. We have to accept the government's wish to go ahead with the program. The minister did admit that there were details we could discuss in committee and I feel that this is one that we should not pass over quickly. I have already pointed out that although the minister has argued against it he has not stated that the government will stand or fall by this item, and I respectfully submit to him that this is a case where he might say to members on his own side of the house as well as to those on this side that they might vote as they feel like voting on the item. In other words, let us have a free vote and see if we cannot get an expression, not on the basis of official statements which the minister may receive from one department or another, but on the basis of what we know that the housewives in Canada want. I strongly urge that there be a free vote on item 87.

Mr. ABBOTT: My hon. friend may urge that hon. members vote as they please, but the government's responsibility under this measure is to see that we save vital exchange needed to pay for essential imports from the United States, and my submission is that the vegetables that are being excluded are not as essential as some other things.

The CHAIRMAN: Shall item 87 carry?

Some hon. MEMBERS: No.

Item agreed to: yeas, 43; nays, 23.

Items 89, 90e, and 91 agreed to.

Customs tariff—92. Fruits, fresh, in their natural state: apricots, cherries, cranberries, peaches, pears, plums or prunes, strawberries, raspberries, loganberries, berries, edible, n.o.p., quinces, nectarines.

The CHAIRMAN: Shall the item carry?

Mr. KNOWLES: On division.

Item agreed to on division.

Items 94, 95 and 95a agreed to.

Customs tariff—96. Fruits, fresh, in their natural state, n.o.p.

The CHAIRMAN: Shall the item carry?

Mr. KNOWLES: On division.

Item agreed to on division.

Items 96a, 97, 99b, 99d, ex 99e, 99g, 104a, 105, 108, ex 109, 110 and 123a, agreed to.

Customs tariff—124, 125, 126, 127, 128, ex 123, ex 133. Oysters.

Mr. McLURE: What was the value of oyster imports from the United States for 1947 or for 1946?

Mr. ABBOTT: Oysters, shelled, in bulk $430,000; oysters, shelled, not canned, $17,000; oysters in the shell $1,000—these are round figures—making a total of about $450,000.

Items agreed to.

Customs tariff—130. Turtles.

Mr. CRUICKSHANK: What are turtles used for?

Mr. ABBOTT: I understand they are used to make soup, but I would not be sure.

Mr. BENTLEY: What was the value of the imports?

Mr. ABBOTT: $9,000.

Item agreed to.

Items 138, 139, 143, 143a, 152c, ex 179, ex 180, and 181a agreed to.

Customs tariff—ex 184d, ex 169, ex 170, ex 171, ex 184a.

Periodical publications, unbound or paper bound, consisting largely of fiction or printed matter of a similar character, including detective, sex, western, and alleged true or confession stories, and publications, unbound or paper bound, commonly known as comics, but not including bona fide supplements used with newspapers.

Provided, that the decision of the Minister of National Revenue as to whether or not any publication is included in the foregoing description shall be final and conclusive.

Mr. KNIGHT: I should like to have an assurance from the minister for the record that no books that may be called legitimate are in this particular list.

Mr. ABBOTT: No.

[The Chairman.]

Mr. KNIGHT: I think the government might well consider, in reference to the whole question of the importation of books of an educational type, whether it is justified in taking money at all through the importation of books intended for the dissemination of knowledge. Now that we know that legitimate books are not included and that this is aimed against a certain type of periodicals, I should like in passing to commend the government department concerned for having shown a sense of humour, for it speaks of certain periodicals "commonly known as comics". I shall have more to say about this another time. I notice on page 1 of the reprint the following:

No person shall import or attempt to import into Canada any goods listed or of the classes described in schedules I, II or III except in accordance with a permit issued by the minister . . .

The minister here is, I presume, the Minister of Finance. On page 8 the responsibility is switched to the Minister of National Revenue.

Provided, that the decision of the Minister of National Revenue as to whether or not any publication is included in the foregoing description shall be final and conclusive.

Mr. ABBOTT: That is administrative. It is his officers who are enforcing it and he decides whether the publication is a pulp magazine, to use the common description.

Mr. KNIGHT: That is what I want to say a word or two about. I am under no illusion that the Minister of National Revenue personally will examine these periodicals.

Mr. McCANN: We have a staff.

Mr. KNIGHT: I have no great confidence in the system of censorship which is now used by the dominion government and I say that not without some reason; and if I am not more enlightened on the subject than I am now, I may say that it is the fault of the ministry themselves, because not long ago I addressed to them certain questions in regard to censorship in Canada and while I have an order for a return, the return has not yet come through. During the last session I asked some questions regarding the whole matter of censorship and I was left very much in the dark. I have not here the answers to those questions, and such answers as I received were most uncommunicative. I asked who was the official responsible ultimately for the censorship of books being imported into Canada. Incidentally I made a good deal of research into the matter of censorhip and I shall report on that on another occasion. I do not wish to hold up this item now. But as I say, I have no great confidence in the matter; and

if I have no confidence it is the fault of the minister or of the department concerned. When I asked, for instance, who was ultimately responsible for censorship in this country, I was given a gentleman's name. I had asked with regard to qualifications by way of education and experience. I was told that this gentleman who was then in charge of censorship in Canada, and had been for some time, was merely a temporary officer. This gentleman was interviewed by the press, and I have the press clippings in my file upstairs. His conception of the whole matter of censorship was quite casual. I think censorship is important, but apparently he did not think so. He said that he was merely a temporary employee and that a permanent official would be appointed in due course. One of the questions which I asked the other day was whether the appointment was now on a temporary or a permanent basis. I have yet to receive an answer. I am looking forward to it with interest. In his interview with the press, this gentleman—

Mr. ABBOTT: I do not want to interrupt my hon. friend, and perhaps he should finish his remarks, but the matter he is discussing really has nothing to do with this bill. It comes under the Department of National Revenue.

Mr. KNIGHT: I realize that.

Mr. KNOWLES: On the point of order, there is a paragraph in the item itself which says:

> Provided that the decision of the Minister of National Revenue as to whether or not any publication is included in the foregoing description shall be final and conclusive.

The minister admitted that it was an administrative matter. The Minister of National Revenue interjected that he had a staff for this. Surely the item permits discussion of censorship.

The CHAIRMAN: I think the hon. member should be allowed to continue.

Mr. KNIGHT: That was, of course, the reason I quoted the paragraph on page 8 before I began my remarks; I expected just such an objection as that which has been raised by the Minister of Finance.

But to return to my story—and I shall make it short, as I realize there will be a better opportunity later to discuss it—the gentleman quite casually took his duties as a censor. I have clippings of an interview he had with representatives of the press. The report of the interview appeared, among other places, in the Regina *Leader-Post*. He said that he did not consider—I presume with my questions in the back of his head—that any great education or any particular qualifications were necessary to performance of the duties of censorship—imagine that! As a matter of fact he said anybody could tell a bad book. I presume he thought you could smell it; I do not know whether he used that expression or not.

Personally I think this whole question of censorship should be aired. The department in charge of it should be freer with its information, because if some of us look upon censorship as something which is being kept in the dark, it is certainly not our fault when we cannot obtain the necessary light. I shall not get into an argument here as to whether censorship is too severe or too lenient. I think both descriptions apply, and because of the inefficiency of those who are doing the job, I think that proper background, education and training are necessary.

Mr. ABBOTT: This prohibition contained in schedule I, together with item 1201 in schedule C of the Customs Tariff, are the only provisions with respect to the entry of published matter. Item 1201 or a corresponding item has been in the customs tariff since confederation, I think, and it provides, under the heading of prohibited goods:

> Books, printed paper, drawings, paintings, prints, photographs or representations of any kind treasonable or seditious, or of an immoral or indecent character.

I understand that the official in the Department of National Revenue in charge of applying these provisions is known as the examiner of publications.

Mr. HANSELL: I should like to say just a word on this item and it is one of commendation, in a sense. For a good many years I have been interested in the type of literature that comes into Canada, and I find now that for perhaps the first time in actual legislation there is set out the prohibition of certain types of literature.

Mr. ABBOTT: It is not the first time. It was done under the War Exchange Conservation Act. This is the second time.

Mr. HANSELL: Well, if it is the second time I stand corrected. But twenty-five or thirty years ago some of us became alarmed at the type of literature that was beginning to flood Canada from other countries, particularly the United States. I recall that resolutions were sent to the prime minister; as a matter of fact I believe the present Prime Minister was prime minister at that time. I happened to be secretary of a ministerial

association which sent those resolutions in. I believe I addressed the resolutions to the present Prime Minister.

Mr. ABBOTT: If it was within the last twenty-five years, you did.

Mr. HANSELL: So the subject is not a new one. I compliment the minister upon including those items as ones to be prohibited under this bill. There is one sad feature about this; it was the necessity for conserving United States dollar exchange that brought this matter to the attention of the government. They are prohibiting this literature from entry into Canada, not particularly because it is undesirable but because they need United States dollars. That is the sad thing. But I commend the minister's action because I believe the government has some responsibility with respect to the morals of this country. I have often heard it said that when it comes to morals it is the responsibility of the home, the school and the church. But you cannot tag on to the home, the school and the church the responsibility of keeping undesirable literature out of this country. I have never yet known a home that has deliberately subscribed to certain types of comic magazines, sex stories, or photogravure literature, for the purpose of bettering the home. I have never known a school or church to have its library packed with that sort of literature. If anything, they want to keep it out. The only authorities who can do this happen to be governmental authorities. Recently I have been quite alarmed at the tremendous flood of certain types of pulp magazines, story books and comics that have been on sale on most of our news stands. They seem to have multiplied in recent years. My own boy likes to read the comics; and as a matter of fact I have no objection to good, wholesome comic magazines. I was a cartoonist myself a good many years ago. I never became very sucessful, though I did create a comic strip which I thought should have made me a millionaire, but other people had different ideas about it. I am all for good clean comic books. When I was a boy I used to read the old country *Comic Cuts* and *Chips*. That was good clean stuff, but the stuff you get today is not so clean. My own boy brings them home. I object, but what can you do? I noticed on the cover of one comic entitled "Joe Palooka" the statement to the effect that it had a daily circulation of some two million readers. That is quite a lot of palooka.

I like to read a good deal. I think any member of parliament has to read a good deal in order to keep up with the times. Just last fall I happened to be in a department store and wandered through to the book department to see what might be new on the newsstand. I was struck with the literature that was on just one rack alone. I was so struck with the titles that I took out my pencil and wrote them down. I would ask any hon. member if these titles suggest that we are guarding and preserving the morals of our young people. You can buy any of these books for twenty-five cents. Here are the titles; I have neither added to nor taken away from them. All these and no others were in this one rack:

The New Sin
Overture to Death
Sealed Room Murder
The Unfortunate Murderer
And Death Came Too
The Noose
Murder Gone Mad
The Vanishing Corpse
Something Nasty in the Wood Shed
Dead on the Track
Painted for the Kill
The Cross-eyed Bear Murders
Death Every Sunday
The Frightened Stiff
The Straw Stack Murders
A Homicide for Hannah
The Plague Court Murders
Death on the Nile
Georgeous Ghoul Murder Case
The League of Frightened Men
Coffin for One
Prescription for Murder
Blood Money
Holiday Homicide
Death from a Top Hat
Man Who Killed Goliath
The Creeps
Case of Constant Suicides
Murders of Scandal House
Dance of Death
Murder Wears a Mummer's Mask
Murder for the Asking
Death in the Back Seat
A Talent for Murder
Murder in the Mist
The Cat Saw Murder
Corpse in the Wax Works
Poison for One
The Corpse in the Green Pyjamas
Murder at Midnight

There was one other book in the midst of them all; the title was "Policeman's Holiday." That is the sort of thing flooding the country today and, I suggest, polluting the minds of our young people. I am not going to read a lot of other names of comic magazines, but if I had my way I would not permit one comic strip to be published that had a gun in it.

Mr. BLACKMORE: Were all those books published in the United States?

Mr. HANSELL: I cannot say as to that.

The CHAIRMAN: Order. Of course a discussion with respect to anything published in Canada would not be in order. At the present time we are dealing with Bill No. 3, which is entitled an emergency measure for the conservation of Canadian foreign exchange resources. No doubt there is a great deal of merit in what the hon. member is saying, but I doubt if it would be in order at the present time. So I would ask him to direct his remarks to the item under consideration.

Mr. HANSELL: Well, Mr. Chairman, I cannot say how many of these particular magazines were published in Canada, because this measure was not before us last fall and I did not take a note of these books just for that purpose. I do say, however, that many magazines similar to those I have mentioned, and perhaps many of those whose titles I read, are published in the United States. I also say that almost every comic magazine in Canada today is published in the United States, if not printed there, because we do not have any comic strips originating in Canada.

Mr. JOHNSTON: Only on the other side of the house.

Mr. HANSELL: I say if I had my way I would do away with every magazine that had a gun in it. If I had my way I would do away with every magazine or photogravure publication or comic strip that had any drinking in it. I would do away with all that, because we cannot permit that stuff to infiltrate the minds of our young people and expect to bring into existence a great and wholesome nation. I am not the only one who thinks along these lines. I know there are on record today in the office of some minister of the Crown resolutions coming from parent-teacher associations, home and school associations and other organizations interested in the welfare of our young people, protesting this type of literature.

I shall conclude by simply saying that this is a measure designed to conserve United States dollars. Am I to conclude that the administration are more interested in saving dollars than they are in saving the morals of our country? This is more or less an emergency measure. What will happen when this legislation runs out? Are these magazines and comic supplements to be allowed into the country then? Let us make this permanent. Let us raise our voices against this sort of thing. The hon. member for Kootenay West mentioned motion pictures the other day, and I am with him on that. These things are demoralizing, and we might as well wake up to that fact. I am not making that statement because of my profession. I am saying it because I am a father and a member of parliament, and we have some responsibility in respect to the civilization we are trying to build here in Canada.

Mr. KNIGHT: In view of what the hon. member who has just spoken has said, I should like to add one further word. He has taken the position, I believe, that censorship is too lenient. As I said before, I do not wish to enter into that discussion, nor shall I do so. But I am concerned with the fact that censorship ought to be efficient. I do not believe the various customs officers stationed at different points across the country are qualified to deal with this matter, nor could we expect them to be so qualified. I do know that in cases of doubt the material is sent to a central point where a man who has the ultimate responsibility must make a decision with respect to it. I did say, however, that the gentleman who had that responsibility during the last session of parliament was not as efficient as he should have been.

I am almost in total agreement with what the hon. member has just said with respect to pornographic material. But I must point out that, on the other hand, I believe many legitimate books are refused entry into this country because of the ignorance of the people who have the censoring of them. There is a great difference between certain novels and certain books which, through their very nature, if they are to be true to life, are bound to be realistic. There is a difference, however between the genuinely written and realistic novel and one that is deliberately pornographic for the purpose of making sales, by appealing to depraved tastes. I believe that inefficiency in censorship works both ways. Not only does it allow to come in material which should be kept out, but it also keeps out much material which should be allowed to come in.

Mr. MACDONNELL (Muskoka-Ontario): I have been so much interested in the remarks just made that I should like to add one further word. We all recognize that censorship is a very difficult procedure. It has to be handled wisely, because we must recognize that there is an infinite variety of opinions in the matter. But I do not believe there are two opinions in the house as to what we find when we go to some of the public newsstands. When we see what is in them we know that the system is wrong, and that it must have an evil influence. If any good can

come out of this evil bill, or if this can possibly be the occasion of setting up some system—and it has to be a wise system, not rigid and unthinking; I recognize that—I should hope it might come now. But surely we can do a better job than anyone of us must agree has been done when we look at a newsstand today.

Mr. REID: Can the minister give the committee the value of these magazines and books imported into Canada? My information—and it may be wrong—is that we can ban the importation into Canada of comics and western stories; but I am told that the firms which control the books in the United States get around the regulations by sending the plates into Canada and having the books and magazines printed in this country.

Mr. ABBOTT: It is almost impossible to give an accurate estimate because all periodical publications are included in the one group. They total something in the neighbourhood of $12,000,000. A rough estimate as to the value of those included in this prohibited group, which is substantially identical with the publication in the War Exchange Conservation Act, is about $2,000,000. However, I give that figure only as an estimate.

Mr. MacNICOL: May I say at the outset that I heartily agree with most of what has been said about the type of literature being sold. However, a large number of corner stores in all cities have been making a living from selling literature of this kind. I made an investigation by calling on about ten cigar stores which have been selling this type of literature. I asked them what the prohibition of the importation of such literature as they had on their shelves would do to their businesses. The usual answer was that they made about $25 a week from the sale of it, and they felt that the prohibition would hit them pretty hard.

What have we to offer in place of the literature on the prohibited list? Can anything be done to encourage the importation of better literature from the old country so that the cigar stores on the corner may continue to make a living? If we prevent their selling this kind of reading material—a procedure with which we agree—is there any effort made to give something in its place so that they will be able to continue to make a living? After all, $25 is an important item to a small cigar store.

Mr. ABBOTT: If the higher class of reading material is not prohibited, then it is not subject to duty; and possibly the fact of prohibiting the importation of these western and sex stories and comic books may tend to raise the reading standards of the public. So that the cigar stores will be able to sell more copies of the *Ladies Home Journal*.

Items agreed to.

Customs tariff—ex 192; ex 198; ex 199.

Tarred paper and prepared roofings (including shingles), sheathing, insulation (not including fibreglass), building board, chipboard, newsboard, strawboard, testboard, corrugated board, and all other similar boards manufactured wholly or in part of vegetable fibres (not including electric insulation board, shoe board, automobile board, bookbinders' board and pressboard); bristol board, artists' board, photograph mounting board, picture matting board and showcard board; flock coated board or paper; wax coated paper; blotting paper not printed.

Mr. MACDONNELL (Muskoka-Ontario): I have a request to make of the minister with respect to this item. It has to do with the words "not including fibreglass", as they appear in the second line of the item. The minister may recall the speech made by the hon. member for London on this matter and, as he was unable to be here today, he asked me to request that the words "or Kimsul" be inserted after the word "fibreglass". I am informed that this will not involve any additional United States dollars, but that Kimsul would merely bring in a quantity of insulation, as well as the fibreglass.

In other words, I understand that these items are in competition. Kimsul in made by the well-known firm of Kimberly-Clark, which has large investments in this country. As the situation now stands, it will mean that their competitors can import while they cannot. Perhaps the Minister of Trade and Commerce could answer.

Mr. HOWE: The difference is, I believe, that the fibreglass people have a plant at Sarnia, almost completed, which will produce fibreglass in this country, wholly of Canadian material. It was thought that in the circumstances, since it is only a month or two until production will start, it was only fair not to destroy the fibreglass market in the meantime. This does not apply to the other product.

If the Kimberly-Clark people care to manufacture their product in Canada within a reasonable time, a similar consideration could be given. However, the latter product at the present time is a trade import, and unessential.

Mr. MACDONNELL (Muskoka-Ontario): Surely the answer is that until the other plant comes into production they ought to be treated equally. The minister has already the power to make the change. After all, the

Kimberly-Clark people deserve proper consideration from us, because they have large investments here. Sometimes there are delays beyond those which were anticipated. Why would it not be fair to put them both on the same level?

Mr. HOWE: This bill is designed to save United States dollars, and the best way to do that is to stop unnecessary imports. The product cannot be admitted because they are friends of ours, or nice people.

Mr. ABBOTT: Another point has been brought to my attention, and that is that there is a technical requirement for fibreglass which does not apply to Kimsul. Fibreglass is an essential insulating material for the making of domestic refrigerators, while Kimsul is not. Kimsul is not designed for use in that form. Therefore, for the month or two until the Canadian plant is in operation the import of some quantity of fibreglass would be necessary.

Mr. MACDONNELL (Muskoka-Ontario): Answering the Minister of Trade and Commerce, I am suggesting that at the moment there would be no saving because this new company is not yet in operation. My request was that they should be put on a level during the time when imports had to be made. I am remembering also that, under the wide powers reserved, this could be changed by executive action. Therefore, on that point my request still stands.

Then, as to the suitability, I am informed that Kimsul has been tested and found to be of the highest quality. I am also informed that they are both used for the insulating of refrigerators, but that Kimsul is being used in the Tillsonburg-Delhi area for the insulating of tobacco kilns. It has been found that this is the only type of insulation which can be used for that purpose. I am putting that forward as evidence of its usefulness, and I am putting forward also the request that as regards saving United States dollars it is still fifty-fifty.

Mr. ABBOTT: The hon. member for London has been discussing this matter with the head of the emergency import control division and it is still under consideration. If a case can be made out for some relaxation for a temporary period, of course it will be done. However, for the reasons which I have given I do not think we can exempt it from the general prohibition contained in this tariff item.

Item agreed to.

Items 192b and 192c agreed to.

Customs tariff—ex 193. Paper sacks or bags of all kinds, printed or not (but not including those made from twisted paper).

Mr. CHARLTON: Would this item cover paper sacks used for the packaging of commercial fertilizer?

Mr. ABBOTT: I am informed that it probably would, but I shall have to get further information on that. If multi-walled bags come under this item, then I am inclined to think it would.

Mr. CHARLTON: I should like to have the assurance of the minister that there will be no recurrence of what has happened in the past when bags were very scarce in the spring at a time when the heavy run of fertilizer is on.

Mr. ABBOTT: I am informed that the production of this type of bag in Canada has gone up rapidly and that there should not be any shortage as has existed in the past.

Mr. McLURE: Are the moisture-proof bags used for the shipment of potatoes manufactured in Canada? In the past few years there has been a change in the method of shipping different commodities, especially potatoes. Potatoes are now being put up in five, seven, ten and fifteen pound packages made out of moisture-proof paper. Most of this has come in from the United States, although recently it may be manufactured in Canada.

Mr. ABBOTT: I cannot answer my hon. friend directly, but I can say that we have had no complaint of shortages of the 15-pound bags to which he has referred. I think it can be taken for granted that there is an adequate supply in Canada. However, I will take a note of his remarks and look into it in order to see what the situation is.

Item agreed to.

Items 194 and 195 agreed to.

Customs tariff—ex 197, ex 197b, ex 198, ex 199, ex 181 and ex 509.

Towels, napkins, table covers, tray covers and doilies, of paper; fancy shelf and lace papers; paper handkerchiefs; facial tissues and toilet paper, including such materials in jumbo rolls; cups, dishes or plates, forks, spoons, and drinking straws, made of paper, cardboard, or of vegetable fibres; paper envelopes; correspondence and printed letterhead papers, not including plain unprinted typewriter or copying papers; creped tissue paper and manufactures thereof; wrapping paper (including box covering paper and wrappers) printed, embossed or otherwise decorated; Christmas seals, stickers, tags and enclosure cards, printed, embossed or otherwise decorated; card and other games, score reckoners, score pads, tallies and place cards of paper or cardboard, festivity, carnival

and celebration supplies and decorations of paper or cardboard, including costumes, hats, caps, headbands, masks, horns, serpentines and confetti; gummed paper; blank books, photograph mounts manufactured from paper or paper board.

Mr. FLEMING: This item covers towels, napkins, fancy doilies, paper handerchiefs, facial tisues, toilet paper and so on. While the figures given in connection with these items, to be found on pages 1340 and 1341 of *Hansard,* may not seem large in the aggregate, I want to bring before the committee the situation of some importers who have opened up importing businesses since the war to bring in doilies and other paper products from the United Kingdom. Reference to the tables will show that sizeable amounts of these articles are coming in from non-scheduled countries. If my information is correct a substantial part of those importations is from the United Kingdom. For instance, if you look at page 1340 of *Hansard,* the fourth line from the bottom, you will find that in the case of tissue wrapping paper, during the six months—

Mr. ABBOTT: That is mostly Swedish paper.

Mr. FLEMING: The importers I am referring to are dealing in doilies and paper products of that kind.

Mr. ABBOTT: There were a few fancy doilies and that sort of thing coming in from the United Kingdom.

Mr. FLEMING: I do not wish to repeat at this stage what was said the other night with regard to excluding the products of the non-scheduled countries; I do not think there is any justification for that, but in a case of this kind I ask if the minister will give the committee some assurance that he will be prepared to grant permits. Surely we do not want to do anything to hurt Canadian importers or British producers of goods of this kind, or, for that matter, of any kind?

Mr. ABBOTT: We will look into it. If they are on the purely prohibited list, they will have to stay there, but it may be possible to transfer them to the quota list.

Mr. FLEMING: I urge the minister to give consideration to that. For the life of me I can see no reason why they should be in the first schedule. I am speaking now with respect to paper products produced in the United Kingdom.

Mr. ABBOTT: As my hon. friend will have seen from the table which I gave the other day, these items constitute a total importation

[Mr. Abbott.]

of about $7,500,000. The individual items may be relatively small but in toto it is a rather large item. Large quantities, particularly of paper napkins, match cases, doilies and so on, come from the United States. I know we have some nice ones out at the house which we were given at Christmas and which have our name on them and all the rest of it. They came from the United States.

Mr. FLEMING: I am not quarreling at the moment with the exclusion of United States products; I am simply dealing with the problem faced by the Canadian importer and the British producer.

Mr. ROSS (St. Paul's): I have a case in mind of a man who spent considerable money in September, 1946, to arrange for the sole agency for the importation of Christmas cards from a high-class gallery. This man has spent a good deal of money in working up business, but now these cards are banned from Great Britain. His order may not amount to more than $10,000, but that would help to pay for some of the wheat that Great Britain is buying from us. This man is a veteran of the first war, an amputation case. He has the agency for one line of goods from Great Britain which he can still bring in, but the one line is not sufficient. If he were permitted to bring in the two lines he could make a living out of it and pay his overhead. If these high-class Christmas cards are banned he will have to fold up the other business. In that other business about $50,000 worth of articles can be brought in at the present time, but that is not in itself sufficient to carry the two. The other business is the more profitable, and between the two of them he could make a go of it. He is a war veteran and an amputation case. He has spent a lot of money and owes the bank money, and with this prohibition he will simply have to fold up his business and Canada will lose the benefit of importations from Great Britain which would help to pay for some of the wheat and other things Britain is buying from us. This is a vast list; it does not seem to me right to lump all these articles together, and particularly I protest against banning these things from Great Britain when there is no necessity for it. Cannot this banning of high-class Christmas cards be reviewed by the minister with a view to allowing them entry into the country?

Mr. ABBOTT: I will take a note of my hon. friend's representations.

Mr. MERRITT: I have information that all stamp collectors' accessories are banned under

schedule I, not by direction, but by being included in other items, one of which is the blanket item. I have had correspondence with the minister's department and it is suggested that stamp albums themselves are not banned, but that information does not correspond with the advice of the collector of customs in Vancouver. The articles consist of hinges, tweezers, watermark detectors, perforation gauges, et cetera, the dollar and pound sterling value of which would be very small. I suggest that it might be possible to take out of this blanket item, either by ministerial discretion or at the end of the schedule, these small items of philatelic accessories.

Mr. ABBOTT: I shall be glad to look into that and see what we can do.

Mr. MERRITT: I should like to make another request concerning a previous item which passed when I was not in the house. Two veterans in Vancouver have, since the war, established themselves in the business of importing cut flowers from the United States. These two veterans have invested not only their own capital but their gratuities and re-establishment credits in the business. They were, of course, counselled by D.V.A., and no doubt had their blessing on going into the business. They find that they cannot carry on during the winter unless they can get their normal supplies from the United States. I know that the minister would not admit cut flowers as a general rule, but I point out to him that under the veterans legislation there was such a thing as an "awaiting returns" benefit, and by analogy with that principle it seems to me that the minister could treat such cases of veterans who will be put right out of business as hardship cases. I refer to the matter now because I am informed that under schedule I in a case like this it has not been the custom for the minister to exercise any discretion in favour of a business, but this particular case does seem a hard one. The veterans have invested their capital and re-establishment credits and gratuities in the business, and have had the advice of D.V.A.; and they now are faced, not by intention, of course, but through the operation of the schedule, with the loss of their gratuities and benefits. In a case like that, the minister might see his way, perhaps on the recommendation of the Minister of Veterans Affairs and his certificate that it was a proper case, to exercise his discretion on the ground of hardship to enable such a firm to remain in business.

Mr. ABBOTT: I shall be very glad to look into that case. Perhaps I might be permitted to express surprise that there should ever be a shortage of cut flowers in Vancouver. I did not think it would be necessary to import flowers from the United States into British Columbia.

Mr. ROSS (St. Paul's): If I might refer again to the case I mentioned, this man incurred heavy expenses to purchase stock for his business. Is there no chance of relief for him? Is he simply to be told that nothing can be done?

Mr. ABBOTT: I shall have to look into the case to which my hon. friend refers, but if the articles which the man uses in his business are on the prohibited list and he cannot obtain them in Canada, that is all there is to it. But I would have to see what the circumstances are.

Mr. ROSS (St. Paul's): It has nothing to do with United States dollars. That is the point I am trying to make.

Mr. TIMMINS: Line 7 of this item reads:

. . . correspondence and printed letterhead papers, not including plain unprinted typewriter or copying papers.

What is the significance of the last words "not including plain unprinted typewriter or copying papers"? Why is that omitted from the schedule? Where do we get that particular material? Is it something we cannot make in Canada? What amount of money is involved? From what country or countries does it come?

Mr. ABBOTT: I do not know that I can give my hon. friend a complete answer at once. I am told that the purpose was to allow the importation of essential types of paper which might be in short supply. I can look into the matter and give my hon. friend a more detailed answer later perhaps.

Item agreed to.

Customs tariff—247. Liquid fillers, anti-corrosive and anti-fouling paints, and ground and liquid paints, n.o.p.

Mr. ADAMSON: These items, I understand, have a very particular purpose in connection with painting the hulls of wooden boats, and in some harbours on the great lakes I believe a graphite non-fouling base is used. Can the minister say whether this material is manufactured in Canada?

Mr. ABBOTT: Some of these, I understand, are not, and I am informed that we are giving quite a number of permits in the case of paints of this type which are considered important and are not manufactured in Canada.

Mr. NICHOLSON: I notice that imports from non-scheduled countries have increased a good deal as compared with the period prior to the war. What percentage do we get from the United Kingdom, and will this affect greatly the United Kingdom position?

Mr. ABBOTT: The average before the war was $48,000 and, in the base period, only $28,000. Imports from the scheduled countries amount to $969,000.

Item agreed to.

Items 247, 248, 249 and 251 agreed to.

Customs tariff—ex 257. Writing ink, but not including drafting, artists' or instrument ink.

Mr. MacNICOL: Why is artists' instrument ink included here?

Mr. ABBOTT: I am told that we make some of these types of ink; but there are some technical types that we have to import, and since the item was not a large one, it was felt better to exclude all from the prohibition.

Mr. ADAMSON: Would this include the special ink used for the fountain pen known as Parker 51, which is made only in the United States?

Mr. ABBOTT: It is banned, but I am told that such ink is made here. I am using some at the moment.

Item agreed to.

Customs tariff—ex 271. Lubricating oils composed wholly or in part of petroleum, in containers of less than 25 imperial gallons each.

Mr. MacNICOL: When the minister gave his address in November there was a hubbub around the country about lubricating oils. Has that been straightened out?

Mr. ABBOTT: Yes.

Mr. BENTLEY: Why is this just in containers of less than 25 imperial gallons each?

Mr. ABBOTT: It is less expensive to bring in the larger containers.

Mr. BENTLEY: It is a protection for the wholesale people here.

Mr. ABBOTT: No. The small container is quite expensive. We use far more United States dollars to bring in oil in 25 gallon containers than to bring it in in tank cars.

Item agreed to.

Customs tariff—ex 272. Refined petroleum jellies and oils, for toilet, medicinal, edible, or similar purposes, in containers of less than 25 imperial gallons each or of less than 250 pounds each in weight, including the weight of the container.

[Mr. Abbott.]

Mr. ADAMSON: I do not see it here, but I assume that transformer oil is not on the banned list. I do not think it is made in Canada. It is a special and expensive type of oil.

Mr. ABBOTT: I cannot say offhand whether transformer oils are included in this category. If it is banned and not available in Canada, special permits are issued for it.

Item agreed to.

Items ex 272a and 323 agreed to.

Customs tariff—ex 326(i). Decanters and machine-made tumblers of glass, not cut nor decorated, n.o.p.

Mr. TIMMINS: What is the significance of "tumblers of glass not cut nor decorated"? There used to be a good deal of hypocrisy about bringing in tumblers, and if they had the slightest mark on them they were supposed to be decorated. What is the significance in dollars and cents in the difference between tumblers of glass decorated and tumblers of glass not decorated?

Mr. ABBOTT: It is a result of the tariff designation. Machine-made tumblers of glass, not cut or decorated, are banned and the ones cut or decorated are on the quota list, because the cut glass is mostly European or from the United Kingdom.

Mr. TIMMINS: I suppose "not otherwise provided" means that they will be on the quota list.

Mr. ABBOTT: They are on the quota list in schedule II in order that glass from Czechoslovakia and the United Kingdom may come in.

Item agreed to.

Items 326g, 354a and 354b agreed to.

Customs tariff—ex 362c. Nickel-plated or electro-plated cutlery and table flatware.

Mr. THATCHER: During the war years it was very hard to obtain this type of merchandise, and I was wondering whether the minister has any assurance that Canadian manufacturers can supply the demand. I believe a great deal came from the United States and England prior to this bill.

Mr. ABBOTT: There were heavy importations from the United States. We believe there will be reasonably adequate supplies. The import figures last year, as hon. members will see from the table on *Hansard,* were well over $3,000,000 in electro-plated ware and over $2,000,000 in nickel-plated ware, n.o.p.

Mr. MACDONNELL (Muskoka-Ontario): When the minister says "we believe," is that an act of faith? We are told that faith without works is dead.

Mr. ABBOTT: We shall have to follow the good old process of trial and error and if there are shortages steps will have to be taken, but in the meantime we believe we are justified in putting this in to provide a substantial saving of United States dollars.

Mr. LOW: Are British manufacturers getting in a position to supply any appreciable quantity of the demand?

Mr. ABBOTT: I cannot say offhand.

Mr. LOW: In recent years I have not seen a great deal of Sheffield cutlery in this country.

Mr. ABBOTT: I am informed that the main British interest is in item 362 in the quota group.

Item agreed to.

Customs tariff—ex 414. Typewriters.

Mr. ADAMSON: Are our manufacturers in Canada able to take care of the Canadian demand in respect of typewriters? Do we export at all?

Mr. ABBOTT: We have a letter from one manufacturer here saying that he is looking into the possibility of exporting to the United States. I infer, therefore, that the local manufacture of typewriters is adequate.

Item agreed to.

Item ex 414a agreed to.

Customs tariff—ex 414c. Adding machines.

Mr. ADAMSON: Does this include merely adding machines, or will it cover calculating machines and the complicated machines of the International Business Machines Company, which there would be no real reason for manufacturing in Canada?

Mr. ABBOTT: This deals with adding machines.

Mr. ADAMSON: And these other machines will be allowed in?

Mr. ABBOTT: That is correct.

Customs tariff—415a. Refrigerators, domestic or store, completely equipped or not.

Mr. WRIGHT: We had a discussion on section 3 of the bill, and I believe the minister admitted that as regards oil burning refrigerators there was discrimination against certain groups in the country who could not obtain automatic refrigeration from any other source. Since that time, I have made further inquiries and I find that refrigerators of this particular type are not made in the soft-currency countries. As a matter of fact, I believe there is one firm making them in the United States. Previously there had been three firms engaged in the business; but since it is a more or less diminishing business and as electricity becomes more widely distributed, refrigerators of this type are not used. There is no chance whatever of a branch factory being established in Canada. Under these circumstances I think there is a good case for leniency on the part of the minister in this matter of allowing this particular type of refrigerator into Canada. Farmers are not the only ones affected. There are a large number of tourist and other camps throughout Canada where other types of refrigerators are expensive or difficult to obtain. I am, therefore, going to move that this item 415a be amended by adding after the word "not" the following words: "but not including oil-burning refrigerators". That is seconded by Mr. Nicholson. I think the minister might give some serious consideration to this matter. I do not think it involves a large expenditure of United States dollars, but I believe it means a great deal to people living in areas where electricity is not available.

Mr. ABBOTT: The other evening I promised my hon. friend that I would look into the whole situation and give it sympathetic consideration. That undertaking still stands. I am afraid that I cannot agree to the removal of the prohibition. After I have looked into the matter, it may be well that we could place it under a reasonable quota; but I do not think the entry of this type of refrigerator should be completely without restriction. For that reason and for that reason alone, I cannot now accept the amendment which is made. But I will give it consideration and see if they can be transferred to the quota list.

Mr. WRIGHT: I would be prepared to withdraw my amendment if the minister is prepared to say they will be placed under quota.

Mr. ABBOTT: I cannot give that undertaking. I cannot say what the importations are or what it involves in terms of United States dollars. That is my test in regard to these matters. The responsibility I have is to see that our already dangerously low reserves of United States dollars are conserved. Until I am satisfied that I can justify allowing items of this kind in, and know to what extent it can be done, I do not want to give a formal undertaking. The most I can say is, as I said to my hon. friend the other night, that I will give the matter careful and sympathetic consideration.

Mr. McKAY: Has the minister the figures to indicate what the importations were?

Mr. ABBOTT: No. I tried to find out, but the customs figures do not break down, under this tariff item, the figures as between ordinary refrigerators and others. I think it was indicated by some hon. gentleman—perhaps it was the hon. member for Melfort—that these would probably all come in through one or two ports. I am going to look into the matter and see if we can get any accurate data on the extent of importations. But it was only the other day that this matter was brought to my attention, and I have not yet had time to get that information.

Mr. WRIGHT: Under these circumstances, if the minister is prepared to give it sympathetic consideration—and I am sure he will; I know he does not in this bill want to discriminate against any particular group in the country or any particular area—I shall be prepared to withdraw my amendment.

Mr. ABBOTT: I thank my hon. friend.

Amendment withdrawn.

Item agreed to.

Customs tariff—ex 415b. Washing machines, domestic, with or without motive power incorporated therein.

Mr. THATCHER: I understand that certain United States washing machine companies have branches in Canada. If this bill goes through, does it mean that those branches will not be able to get washing machines under any circumstances?

Mr. ABBOTT: They can get parts. There will not be any restriction of imports of parts under schedule III.

Mr. THATCHER: There is no intention of the minister working out some sort of quota as he has done with regard to automobiles?

Mr. ABBOTT: The production of washing machines is reasonably adequate. I do not think we need to import washing machines. Those which were imported were the more luxurious type, if I may say so, without mentioning the names and giving advertising to the particular brands. I am informed that the domestic production of ordinary washing machines, electric and otherwise, is adequate. For instance, last year there were produced in Canada approximately 133,300 machines as against importations of some 33,000.

Mr. THATCHER: I can tell the minister that, while the supply of electric machines may be adequate, with regard to gas engine machines for farm use there is still nowhere near the supply to meet the demand. My point was that apparently some of these branches will have to close up, and there are veterans and others who have started up agencies with them.

Mr. ABBOTT: With regard to non-electric machines, there were 1,069 imported and 21,500 made in Canada. How many of those are gasoline operated I do not know, but the figures are twenty to one.

Item agreed to.

Mr. HODGSON: I should like to revert to item 414 for a moment, on refrigerators.

The DEPUTY CHAIRMAN: Is it the pleasure of the committee to do that?

Mr. ABBOTT: Yes, I suppose so, although these are long schedules, and I do not want too much of it. We agreed to take up the schedules item by item.

Mr. HODGSON: I intended to get back in before the item was reached. A curling club in Lindsay has a refrigeration plant—

Mr. ABBOTT: Item 414 refers to typewriters.

Mr. HODGSON: Item 415a, then.

Mr. ABBOTT: Yes.

Mr. HODGSON: Part of this plant was delivered before this measure came into force and part of it was not.

Mr. ABBOTT: This sounds to me as though it were a problem that would come under schedule III. Is it a curling club refrigeration plant?

Mr. HODGSON: Yes.

Mr. ABBOTT: Item 415a refers only to refrigerators, domestic or store, completely equipped or not. I do not think it refers to curling clubs.

Mr. HODGSON: It will come up later on in the same bill?

Mr. ABBOTT: Yes.

Item ex 415c agreed to.

Customs tariff ex 415d—Sewing machines, domestic, with or without motive power incorporated therein.

Mr. THATCHER: I understand that there is only one manufacturer of sewing machines in Canada. I also understand that, since this embargo went on, prices have started to go up. Has the minister any assurance from that company that it will not take advantage of lack of competition?

Mr. ABBOTT: I have not been in touch with the company at all. I have not any such assurance. I am informed that production in 1945 is approximately at pre-war level. We shall have to keep an eye on it and see that they do not exploit the situation.

Mr. NICHOLSON: Will the minister indicate what the policy of the government would be if this company did boost prices? Also, if the supply was not adequate, what consideration would be given to encouraging imports from the United Kingdom? I understand that from non-scheduled countries last year we had a sizeable total of imports of sewing machines. That is a type of machine which I think the British manufacturers could make and supply if there were some encouragement.

Mr. ABBOTT: That is the sort of thing we would have on quota. If the supply situation in Canada were short, and it were felt that it was necessary to bring more in and that the expenditure of United States dollars would justify it, then they would be moved from the prohibited list to the quota list or perhaps removed entirely. There is flexibility in this. One cannot make the act more rigid, but it can be made less onerous.

Mr. MACDONNELL (Muskoka-Ontario): That matter might be considered by the prices committee.

Mr. LOW: The minister would not hesitate, would he, to allow sewing machines in from the United Kingdom in case we found ourselves short in Canada?

Mr. ABBOTT: I think we would do everything possible to see that there was no shortage of sewing machines.

Mr. ADAMSON: Is Switzerland one of the hard-currency countries?

Mr. ABBOTT: Switzerland is one of the hardest currency countries in the world.

Item agreed to.

Customs tariff—ex 427. Outboard motors.

Mr. MACDONNELL (Muskoka-Ontario): Will the minister let me know if I am right in thinking that the subsequent item 440a, pleasure boats, has been maintained in some form?

Mr. ABBOTT: Not on the prohibited list. There have been changes made in the related bill concerning excise tax, but there has been no change in the prohibition of the import of pleasure boats.

Item agreed to.

Custom tariff—ex 427h. Motion picture projectors for use with films less than one and one-eighth of an inch in width, with or without sound equipment, and motion picture screens adapted for use therewith.

Mr. McKAY: Are any of these movie projectors manufactured in Canada? I am a little bit concerned about this particular restriction for this reason. I know some schools are using machines which take films certainly smaller than one and one-eighth inches in width. I believe it is 16-millimeter film.

Mr. ABBOTT: I am told that there is a special item which gives free entry to educational material including projection machines and that it would not be affected by this tariff item.

Mr. McKAY: Has there been an amendment to this item?

Mr. ABBOTT: No; there is another tariff item, 696, which covers projectors of this kind used for educational purposes.

Mr. McKAY: In the first part of my question I think I asked whether or not any of these projectors were manufactured in Canada

Mr. ABBOTT: Some are, I am told.

Mr. WRIGHT: There are a number of these machines in Canada, and I suppose repair parts will be allowed in?

Mr. ABBOTT: That is true.

Item agreed to.

Item 432b agreed to.

Customs tariff—ex 433. Baths, bathtubs, basins, closets, lavatories, urinals, sinks and laundry tubs of iron or steel, coated or not.

Mr. TIMMINS: Has the minister taken into consideration the fact that during the war there was a bottleneck, which still exists, in respect of bathtubs and sinks? During the war we could not get enough steel to manufacture them. The situation is better now, but certainly it is not cured; and if we are to have any all-out housing program in Canada it seems to me that we are being a little short-sighted here. Further than that, we used to get a quantity of these articles from Scotland, and apparently we are also cutting ourselves off from that market.

Mr. ABBOTT: A new plant is coming into production very shortly, as my hon. friend probably knows, and I have been assured by my colleague the Minister of Trade and Commerce that there is no objection to including these articles in the prohibited list.

Mr. ADAMSON: Can the minister say anything about the shortage? It was only last year that plumbing fixtures were the extreme bottleneck in all building, and one had to get a priority to obtain them at all. Has the situation eased to that extent?

Mr. ABBOTT: There have been shortages of pipe and some other things but not shortages of bathtubs, I am told; and production is steadily increasing.

Item agreed to.

Customs tariff—ex 440a. Pleasure boats of all kinds.

Mr. GIBSON (Comox-Alberni): I wonder if this would include second-hand pleasure boats which might be bought in the United States. Might we not have to leave room for considerable latitude in interpretation by the customs authorities as to what is a pleasure boat? It is quite conceivable that a pleasure boat there might be brought here and converted into a commercial vessel.

Mr. ABBOTT: Probably it would have to be registered. Tourists can bring in their own pleasure vessels, but this does include second-hand vessels as well as new ones.

Mr. GIBSON (Comox-Alberni): Would some discretion be left with the customs authorities?

Mr. ABBOTT: That would have to be dealt with by the customs authorities, of course, as to what constituted a pleasure boat.

Mr. GIBSON (Comox-Alberni): But it might be purchased as a pleasure craft and converted.

Mr. ABBOTT: If the customs people were satisfied that would be done I presume it would be admitted.

Mr. GIBSON: (Comox-Alberni): It is also possible that a commercial vessel might be bought over there and converted to a pleasure craft here. I should think a great deal of discretion would have to be given the authorities.

Mr. ABBOTT: We could not help that, I am afraid. If it were brought in as a commercial vessel and converted into a pleasure boat I do not think we could do much about it.

Mr. MACDONNELL (Muskoka-Ontario): But suppose it were the other way around. Suppose it were brought in here to be used for business purposes?

Mr. ABBOTT: They would apply for a permit to bring in the boat as a commercial vessel. Hon. members will appreciate that this item is intended to exclude the wide range of gasoline launches that are used at summer resorts, and so on, some of which are pretty expensive.

Mr. PEARKES: Did I understand the minister to say this would not affect tourists coming in?

Mr. ABBOTT: That is so. They may bring in their own boats.

Item agreed to.

Customs tariff—ex 443. Apparatus designed for cooking or for heating buildings (not including parts).

Mr. BENTLEY: I am not going to make another speech such as I made the other day, but I am still interested in propane gas stoves. I think they should be allowed in, and I am led to believe that they can be obtained in some of the soft currency countries. For that reason I am going to move, seconded by the hon. member for Humboldt, that item 443 be amended by striking out the words "for cooking or."

Mr. ABBOTT: I must give my hon. friend the same answer as I gave the hon. member for Melfort. The other night I promised him that we would take a look at this item in view of his representations and see whether it might be possible to place a quota on these stoves. But I cannot agree to an amendment which takes them out of the operation of the act entirely; and I am not prepared to say what the quota should be until we have had a chance to look into the matter.

Mr. BENTLEY: I want to point out to the minister that these can be manufactured and at present are being manufactured in the soft currency countries. Consequently I am not asking the minister to accept something which might involve the expenditure of United States dollars. By this amendment I am simply asking that he ease up a little on the non-discriminatory clause as it applies to this item, and let the soft currency countries such as Great Britain ship in these goods.

Mr. ABBOTT: We cannot make special exceptions to the non-discriminatory principle. We must either adopt the principle of non-discrimination or not adopt it, and that point has been settled by the house. So, as I say, the most I can do is promise to give the matter of propane gas stoves serious consideration, to see whether it is possible to place them under quota. I think my hon. friend did indicate—and this agrees with my own information—that it should be possible also to produce these stoves in Canada.

Mr. BENTLEY: That is right. With that assurance from the minister, and since it would only bring on a long fight which would not do anyone any good if I pressed my amendment, I withdraw the amendment.

Mr. ABBOTT: I thank my hon. friend.

Amendment withdrawn.

Mr. MACDONNELL (Muskoka-Ontario): This item reads "not including parts". Does that mean there is no limit on the number or variety of parts that may be imported?

Mr. ABBOTT: The explanation is that a knocked-down stove would not be allowed in, but parts for these stoves, or for any others, are all covered under schedule III, in the same tariff item. My hon. friend will find the item at page 31. It reads:

Parts for the production of apparatus designed for cooking or for heating buildings:
(1) For coal or wood
(2) For gas
(3) For electricity
(4) For oil
(5) N.o.p.

Parts come in, and that is why the phrase "not including parts" is in this item. They come under schedule III, which means, in effect, they they will be allowed in substantially without restriction.

Item agreed to.

Customs tariff—444b. Lamp shades, n.o.p., and shade holders.

Mr. ADAMSON: Just as a matter of interest, what were our imports? It seems an extraordinary item to be prohibited.

Mr. ABBOTT: Our imports from the United States amounted to $106,000, and to $1,000 from non-scheduled countries.

Item agreed to.

Items ex 445, ex 445a and ex 445b agreed to.

Customs tariff—ex 445d. Radio receiving sets and cabinets and chassis therefor.

Mr. THATCHER: Could the minister say how many of the radio sets which came into the country last year were brought in by commercial firms and how many were just radios that people brought in for themselves?

Mr. ABBOTT: I am told that the great majority would come in through dealers and be sold in the ordinary way in the retail trade.

Mr. THATCHER: I believe today in Canada radios are quite plentiful. Could the minister tell the committee whether, since they are plentiful here, our manufacturers under this new program are trying to export radios to the United States? Are our manufacturers free to ship radios to the United States, or do the cartel arrangements prevent that?

Mr. ABBOTT: I do not think the cartel arrangements prevent it. I am told we are shipping some to South America, to hard currency countries. But so far as I know we are not exporting any to the United States. It would be difficult for our manufacturers to compete in a large way in the United States, because of volume, and also because some of the parts would have to be brought in from the United States anyway. As a general rule, I believe our radio prices, even allowing for duties, have been somewhat higher than prices of similar radios in the United States.

Mr. GIBSON (Comox-Alberni): How does this apply to radio-telephone receivers, such as marine equipment?

Mr. ABBOTT: I am told that they are caught by the ban. They come within the definition; but permits are being given for remote lumber areas or for marine use, and that sort of thing.

Mr. ADAMSON: Are frequency modulation sets and television sets being made in Canada?

Mr. ABBOTT: I cannot answer that at the present time.

Item agreed to.

Items ex 445e, ex 445i, ex 445j and 449 agreed to.

Customs tariff—451e et al. Slide, hookless or zipper fasteners and parts thereof.

Mr. MACDONNELL (Muskoka-Ontario): I am told there is not sufficient supply in Canada to meet the market requirements of zipper parts. Will the minister say if that is so? If so, why are they excluded? What is the amount involved?

Mr. ABBOTT: I am told that $107,000 worth were imported last year from scheduled countries. In 1945, which is the latest figure available, there were three and a quarter million dollars worth produced in Canada, as against $105,000 worth imported, which appears to be a small ratio. Of course, if Canadian supplies were not adequate, it would be necessary to put them under quota. But the information we have is that the Canadian supply is adequate.

Mr. TIMMINS: Why are parts mentioned here?

Mr. ABBOTT: I am told if the parts were not prohibited the prohibition would be completely valueless. They would bring in the parts and put them together here.

Mr. MACDONNELL (Muskoka-Ontario): I have been informed by a responsible person that the supply was not adequate.

Mr. ABBOTT: I shall look into the matter again. I gave my hon. friend an assurance that if supplies of essential materials were not adequate, it would be reconsidered.

Mr. McLURE: I understand that since these zipper fasteners were invented in the United States, royalties are paid on all that are manufactured. Those royalties go to the patentee in the United States. Unless sufficient are not being manufactured, it is important that they should not be prohibited entirely.

Mr. ABBOTT: Of course we would have to pay the royalty if they were manufactured here. The royalty would have to be paid to the United States patent holder. But that would be much cheaper, in terms of United States dollars, than in importing those fully manufactured in the United States.

Item agreed to.

Mr. ABBOTT: May we return to item 234, which was held over?

Customs tariff—234. Perfumery, including toilet preparations, non-alcoholic, viz., hair oils, tooth and other powders and washes, pomatums, pastes and all other perfumed preparations, n.o.p., used for the hair, mouth or skin.

Mr. FLEMING: I should like to thank the minister for holding this item over; I was in a committee meeting elsewhere when it was called. Will the minister consider transferring this item to another schedule, or dealing with it in such a way that it will not prevent the importation of French perfumes into Canada? I have in mind two young veterans of the Canadian armed forces who established themselves in business in Canada as importers of French perfumes, and other similar products such as face powders, hair lotions and brilliantines. I do not know that they are the the only ones who have done this. They had established connections with the French producers of these goods while serving in the forces and are in a position to carry on a business which would be useful in Canada, and would also help the French producers. Supplies of these materials are available in France.

It so happens that the two veterans about whom I am speaking, relying on the hope of establishing a good line of French perfumes, sank into their business all the wealth they had in the world, including their re-establishment grants. Now, with the virtually complete exclusion of French perfumes and similar products, not only are they faced with ruin, but harm is being done to the good relations they had established with the French producers. This particular case has I believe, been brought to the attention of Mr. Taylor.

The partnership in question had hoped during the current year to import perfumes and other like materials to a value of not less than two million francs, and this is a serious matter for them. I am not speaking about perfumes from the United States, but rather perfumes from France, and I urge that special consideration be given to a case of this kind.

Mr. ABBOTT: The committee will notice that this item relates only to non-alcoholic perfumes and preparations. Under this item goods to the value of only $9,000 were imported from France during the base period. Many of the French perfumes are alcoholic, and as such they come under tariff item 160, concerning which there is no prohibition. So that I believe it is fair to say that a substantial portion of the French perfumes are not prohibited.

Mr. FLEMING: There are two observations I should like to make. First, last year's statistics do not apply. These young men are just starting up, and the volume of business they did last year is not to be compared with the volume they had every reason to expect to do this year. Then, as to alcoholic content, I am told that if one wants to transform a non-alcoholic perfume into an alcoholic perfume it can be done by debasing the product through the addition of a portion of alcohol.

However, I do not think the point the minister makes covers this situation. The perfumes to which I am referring, and in the sale of which these young veterans were establishing themselves, are almost entirely non-alcoholic. They do not wish to adulterate their perfumes by the addition of alcohol so that they may be classified as having alcoholic content, simply to evade the provisions of the schedule. They propose to sell well-known and well-established brands of non-alcoholic French perfumes.

Mr. ABBOTT: The difficulty here, as with other items, is that these non-alcoholic perfumes mostly come from the United States. Last year, over $400,000 worth was imported from the United States, only $8,000 worth from France and something like $70,000 worth from the United Kingdom. Unless we are prepared to revert to the discriminatory principle, we would have to let in a lot of these perfumes from the United States in order to let them in from France. In the case of the more expensive alcoholic perfumes, last year $80,000

worth was imported from France as against only $6,000 from the United States. I never knew that the high-class perfumes contained alcohol until this debate came on.

Mr. FLEMING: I would urge the minister to regard this case as being one of exceptional hardship. This was to be a new business in Canada which would have been good for Canadians and for the French producers.

Mr. ABBOTT: I will look into the circumstances of the case.

Mr. FLEMING: We should help to establish some lines of these well-known French brands in Canada and permit them to be sold here under their trade names.

Mr. ABBOTT: I will look into the circumstances of the particular case.

Mr. FLEMING: It may be that there are not many cases of this kind, but the one I suggest is of such severe hardship that I think the minister might well deal with it as such.

Mr. BLACKMORE: Would the minister mind giving the basis for his conclusion as to the amount of perfumes that might be brought in from France in accordance with the non-discriminatory principle so that we can understand just what he is advocating?

Mr. ABBOTT: There are two principal items dealing with perfumes. One is the non-alcoholic type which, I am told, is the cheaper perfume. In that case the major importations were from the United States and not from France. In the case of the more expensive perfumes which apparently contain alcohol, the principal importations were from France, with very little coming from the United States. The figures which I gave for the more expensive alcoholic perfumes were $82,000 from France as against only $6,000 from the United States.

Mr. BLACKMORE: Upon what does the minister base his reasoning in order to determine when importations from France are non-discriminatory and when they are not?

Mr. ABBOTT: We tried to take the items which would result in the greatest saving of United States dollars. That is the principle which has been followed.

Mr. BLACKMORE: Perhaps I am not making myself clear to the minister. How does the minister decide whether or not importations from any country are discriminatory? At what point do they become discriminatory?

Mr. ABBOTT: I do not know that I am following my hon. friend quite clearly. We adopt the same principle so far as all countries are concerned. In other words, if we ban a product, it is banned from all countries. In selecting the articles to be banned we endeavoured, as I explained before, to select articles the major source of supply of which was hard currency countries. We endeavoured to let in those articles whose main source of supply was soft currency countries. That is the general principle we endeavoured to follow in selecting the item to go into either schedule I, the prohibited list, schedule II, the quota list, or to be left off entirely.

Item agreed to.

Customs tariff—ex 462. Cameras, not including those for professional use.

Mr. ADAMSON: I have been asked by a group of exhibitors who presumably have an amateur standing but who have done a great deal of exhibiting of photographs in public exhibitions, to inquire for further details about this item. They want to know whether the very expensive minicameras are excluded from Germany?

Mr. ABBOTT: The situation is that all cameras, except professional cameras, are prohibited.

Mr. ADAMSON: Everything is prohibited except what is used by the man who sets himself up as a professional photographer to take pictures?

Mr. ABBOTT: That is correct.

Mr. McNICOL: Does that include moving picture cameras?

Mr. ABBOTT: They are under schedule III, yes.

Item agreed to.

Item 465 agreed to.

Customs tariff—468. Bird, squirrel and rat cages, of wire, and metal parts thereof.

Mr. ADAMSON: Here again I have received a request from a number of people in the business of raising canaries. They are finding great difficulty in getting cages which normally come from the United States. They have been refused permission to bring these in from the United Kingdom. I did not know that the business of raising canaries was so important, but apparently there are a number of people engaged in this business.

Mr. ABBOTT: I understand that they were banned during the war under the War Exchange Conservation Act, and moreover they could not be manufactured because they used metal. However, they are made in this country. I will consider my hon. friend's representations.

Mr. BLACKMORE: Why are these cages not permitted to be brought in from England?

Mr. ABBOTT: As I have said, we are adopting a non-discriminatory principle in the bill. An amendment was introduced, but it was voted down.

Mr. BLACKMORE: That is hardly consistent with what the minister said before. I gathered, when we were discussing perfumes, that the minister was admitting commodities from soft currency countries as far as possible.

Mr. ABBOTT: We imported $56,000 worth of bird and squirrel cages from hard currency countries and only $12,000 worth from other countries.

Mr. ADAMSON: This is most important to canary raisers.

Mr. FLEMING: One of the anomalies under this bill is that bird cages and swings are excluded, but not bird baths.

Mr. ABBOTT: Bird cages cannot be imported; I do not know about bird baths.

Mr. BLACKMORE: Do I understand that in the application of this remarkable non-discriminatory principle, if we cut off importations from hard currency countries we automatically cut off importations from soft currency countries?

Mr. ABBOTT: That is correct.

Mr. BLACKMORE: What is the base period that has been referred to?

Mr. ABBOTT: That has been given several times but probably the hon. gentleman was not in his seat. The base period in connection with which I gave figures is the twelve months ended June 30, 1947.

Mr. McLURE: I am surprised that they did not include fox cages.

Mr. ABBOTT: We think too much of Prince Edward Island.

Mr. McLURE: I believe they should be in. I should like to see the government have courage enough to exclude these things from coming into Canada. We can make better fox cages and, I believe, better rat cages than what we import from the United States. I should like to see that put in there. Why should we import them when we can manufacture better articles ourselves? It is only a question of the government having the nerve to do it.

Mr. ABBOTT: I am sure we could make a better and cheaper fox cage in Canada.

Item agreed to.

Customs tariff—505a. Hardwood flooring, tongued and/or grooved, or jointed, viz: beech, birch, maple and oak.

Mr. TIMMINS: How much of this material comes in from the United States and how much money is involved?

Mr. ABBOTT: The amount was $132,000 in the base period.

Mr. TIMMINS: What were the total imports?

Mr. ABBOTT: They amounted to $9,704,000; $8,753,000 from scheduled countries and $951,000 from non-scheduled countries.

Mr. ADAMSON: Sweden mostly?

Mr. ABBOTT: Tropical woods from Central America.

Mr. TIMMINS: Was $132,000 the amount of hardwood flooring imported from the United States?

Mr. ABBOTT: Correct.

Mr. GIBSON (Comox-Alberni): Is there any quota on hard woods from tropical countries to take care of shipbuilding requirements?

Mr. ABBOTT: Special permits are being issued.

Mr. ADAMSON: All these fancy woods such as mahogany, rosewood and so forth, are now excluded?

Mr. ABBOTT: On January 8, a circular was sent to importers of lumber and veneers setting out:

> Until further notice the following species of lumber may be imported under special permit: teak, Australian gumwood, Australian ironbark, mahogany, Ponderosa pine, California sugar pine, Idaho white pine.

Mr. TIMMINS: Those are prohibited when the act goes through?

Mr. ABBOTT: What I have read was a circular from the emergency import control division to importers of lumber and veneers. Although there is a general prohibition, permits will be issued in special cases. We can relax but we cannot make more onerous.

Mr. MENARY: Does oak come under that?

Mr. ABBOTT: No. There is a small quota with respect to oak for certain purposes.

Mr. THATCHER: Do veneers used in the manufacture of furniture come under this?

Mr. ABBOTT: Veneers as a whole are excluded.

Mr. TIMMINS: What was the number of that circular?

Mr. ABBOTT: It has no number but I will get a supply for circulation among the members. The customs people have a complete list of those who import these articles and a circular would be sent to all on the list. That has already been sent out.

Mr. MACDONNELL (Muskoka-Ontario): Are items 506a, 506b, 507, 507a, 507b, 507c and 507e standing?

Mr. ABBOTT: Yes.

Mr. MACDONNELL (Muskoka-Ontario): They are all in the excluded list?

Mr. ABBOTT: Yes.

Mr. MACDONNELL (Muskoka-Ontario): I thought the minister said a moment ago that discretion was being exercised and permits issued with regard to these. Am I correct?

Mr. ABBOTT: In cases of particular hardship. If it is shown, for instance, that because of the lack of a small quantity of imported veneer finish, let us say, a piece of furniture, which is 99 14/100 per cent of Canadian manufacture, the article cannot be finished, a special permit is granted.

Mr. TIMMINS: Will this be a continuing thing after the act is passed?

Mr. ABBOTT: It has been worked out after long discussions with the furniture and lumber industries and, I am told, seems to be working satisfactorily.

Mr. THATCHER: Some permits have already been issued?

Mr. ADAMSON: What about piano manufacturers? They use a special kind of wood which, I understand, is not obtainable in Canada.

Mr. ABBOTT: We have not heard from the piano manufacturers, but if they made submissions they would be considered.

Mr. ADAMSON: We were all briefed by them.

Mr. ABBOTT: That was about the excise tax.

Mr. KNOWLES: If the minister has not already given the information, what in dollars do all these hardship permits amount to?

Mr. ABBOTT: I gave that the other evening. Up to February 7 they amounted, in round figures, to $7,000,000. That is on *Hansard*.

Item agreed to.

Customs tariff—507c. Plywood made of two or more layers of veneer or lumber of wood, glued or cemented together, but not further manufactured.

Mr. McLURE: I understand that under this item pillars made from plywood and locked together with special machinery and then glued or cemented are prohibited entry. I received a letter today from a gentleman, an American, who is building a home in Canada, and he wanted to know if he could get in this country 25-foot columns made from veneer and machined together. The house is to be of pure colonial design. I should like to know if those pillars are prohibited entry, because in Canada we manufacture only 12, 14 and 16-foot pillars. There is only one place where 24 and 26-foot pillars can be got, and that is Chicago. Could he receive a permit to bring in these pillars which are not manufactured in Canada?

Mr. ABBOTT: They are banned, but whether he would qualify under the hardship provision because he could not get such pillars in Canada I could not say offhand. The case would have to be looked into on its merits.

Item agreed to.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The DEPUTY CHAIRMAN: The next item is 507e. Shall the item carry?

Items 507e, 508, 512, and ex 506 et al agreed to.

Customs tariff—ex 514. Coffins and caskets.

Mr. MACDONNELL (Muskoka-Ontario): Can the minister tell us the difference between coffins and caskets? I should like to know also whether there is any significance in the fact that immediately under this item "coffins and caskets" there appears the item "showcases of all kinds".

Mr. ABBOTT: These are two separate items. I am not sure that I am clear as to the distinction between coffins and caskets. They are close to being synonymous. I shall have to consult the Oxford dictionary to see whether there is any real distinction.

Mr. PEARKES: Occupied or unoccupied? Does that make a difference?

Mr. ABBOTT: Curiously enough that question was raised by a conscientious customs officer at the border shortly after the restriction came into force and the point was referred to Ottawa for a decision.

An hon. MEMBER: What was the decision?

Mr. ABBOTT: Unoccupied.

Item ex 515, 519, 519a, 597, and ex 597a. Agreed to.

Customs tariff—602, 603. Fur skins, wholly or partially dressed.

Mr. GIBSON (Comox-Alberni): Will it be possible to send Canadian furs to the United States for treatment and bring them back? There might be privately owned seal skins coming under this category.

Mr. ABBOTT: Permits have been given for furs to be sent to the United States and processed and returned to Canada.

Mr. McLURE: Will there be permits for Alaska seal skins owned by the fisheries department and now being processed in the United States? Will there be permits for manufacturers here to get those in?

Mr. ABBOTT: That matter, I am informed, has been raised in the last few days and is now under discussion with my colleague, the Minister of Fisheries, who is not here at the moment.

Mr. PEARKES: And that will apply to next year's catch as well, the fur seals which are slaughtered on the Pribilof islands, and which are sent to the United States.

Mr. ABBOTT: That is correct. Those are the seal skins under discussion at the moment.

Mr. PEARKES: Where big game hunters kill hides, will they be permitted to have them cured in the United States and returned?

Mr. ABBOTT: Not automatically, but I think permits would be issued in suitable cases. There would probably not be many of them.

Item agreed to.

Item ex 618b agreed to.

Customs tariff—624 et al. Bead ornaments, and ornaments of alabaster, spar, amber, terra cotta, composition, or other material except china or porcelain; fans of all kinds, statues and statuettes of any material other than porcelain or earthenware.

Mr. MACDONNELL (Muskoka-Ontario): Does item 624 not cover some of the items which are also in item 634 in schedule II? It has been suggested to me that there is overlapping there.

Mr. ABBOTT: If anything is in schedule II it automatically overrides schedule I. If there is a conflict between an item in schedule II, which is under the quota, and an item in schedule I, which is a prohibited item, the item in schedule II overrides any possible interpretation bringing it within the item in schedule I.

[Mr. Abbott.]

Mr. HAZEN: Where is the authority for that?

Mr. ABBOTT: I have not at the moment the answer to that question, but I am told that the phrase in item 624 "other than porcelain or earthenware" takes out the great majority of items and those are included in the quota items under schedule II.

Item agreed to.

Items 625, 629 and 647 agreed to.

Customs tariff—ex 648. Precious and semi-precious stones (other than diamonds) whether genuine or synthetic; pearls, whether genuine or cultured, and imitations and simulations thereof.

Mr. McKAY: Why are diamonds omitted from this?

Mr. ABBOTT: They all come directly or indirectly from non-scheduled soft-currency countries.

Item agreed to.

Items ex 651, ex 655, ex 655a, ex 689a agreed to.

Customs tariff—ex 71. Synthetic casings for meat.

Mr. JACKMAN: I wrote to the minister about synthetic casings for meat and I understood that eventually this would be put in the quota schedule. Is it in the quota schedule now?

Mr. ABBOTT: It is banned, but in the provision with respect to hardship to an industry, a quota of $75,000 a month is being provided.

Mr. JACKMAN: It remains in the prohibited schedule?

Mr. ABBOTT: That is correct, but a special quota of $75,000 a month is allowed under the hardship provision of section 4 of the act.

Mr. JACKMAN: I thought it was understood in a previous discussion that hardship cases were all of single occurrence, that they did not recur.

Mr. ABBOTT: Not necessarily. They can relate to an industry or to an individual or to the Canadian public.

Mr. JACKMAN: For the sake of greater certainty, may I ask why this is not carried over to schedule II?

Mr. ABBOTT: It does not fit into any recognized category. It is a new industry, and there is no record of performance pre-war on which one can base a quota in the normal way that quotas are established for schedule II.

Mr. KNOWLES: What are these casings for?

Mr. ABBOTT: Sausages and bologna.

Mr. KNOWLES: We have had a lot of that around here for some time. The minister speaks as though it is something new.

Mr. ABBOTT: We used to have natural casings. These are synthetic casings.

Mr. KNOWLES: It is still bologna.

Mr. MacINNIS: How did the minister fix the quota if there was no way by which it could be fixed under schedule II?

Mr. CRUICKSHANK: Synthetic fixing.

Mr. ABBOTT: I am told that it is based on a reasonable cut back from the experience of the last year or two. None of these things were imported during the peace period prior to the war, 1936-1939. It has just been fixed after examination into the imports during the last year or two just prior to now, and estimated as a reasonable cut back from those imports.

Mr. HARRIS (Danforth): Will this quota be pro rata among importers and consumers?

Mr. ABBOTT: Among importers.

Mr. HARRIS (Danforth): That is $75,000?

Mr. ABBOTT: Yes.

Mr. HARRIS (Danforth): It will be pro rata?

Mr. ABBOTT: Yes, pro rata among importers.

Item agreed to.

Items ex 362c, ex 427, and ex 446a agreed to.

Custom tariff—ex 703b. Goods enumerated elsewhere in schedules I and II, except goods to which paragraph (c) of subsection two of section three of this act applies.

Mr. THATCHER: Before we leave this item, I wish to ask the minister a question. I suppose there is an obvious answer, but I do not know what it is. Can the minister indicate why whiskeys from the United States were put on the banned list?

Mr. ABBOTT: The main reason is, as is probably well known to most hon. members, that virtually all of it comes from sterling area countries, and particularly from the United Kingdom.

Mr. JACKMAN: That is much too wide a statement.

Mr. ABBOTT: We import practically none of that from the hard currency countries.

Mr. KNOWLES: Has the minister any figures as to the amount we import from the United States?

Mr. ABBOTT: Yes.

Mr. JACKMAN: Not very much. I would not worry about it.

Mr. ABBOTT: The figures last year to the end of November were about $2,000,000. I am told that is mostly for blending and re-export back to hard currency countries and compares with over $3,500,000 from the United Kingdom and $2,000,000 of other stuff from the United Kingdom, British Guiana, Barbados, Jamaica, Trinidad, Bahamas, Australia, Cuba, French West Indies, Mexico, Virgin islands and so on. The great majority came from soft currency countries.

Item agreed to.

Mr. ABBOTT: Before we proceed with schedule II, perhaps as a matter of form I might ask one of my colleagues to move that schedule II as it was originally printed be deleted and be replaced by the following. The schedule is the one which is before the members of the committee in the reprinted bill, but as a matter of form this will regularize proceedings.

Mr. ST. LAURENT moved:

That schedule II of Bill 3 be deleted and attached schedule substituted:

SCHEDULE II

In this schedule where a tariff item of schedule "A" to the Customs tariff is listed without being preceded by the word "ex" all goods included in that tariff item shall be deemed to be included in this schedule and where a tariff item is listed and preceded by the word "ex" only the goods described thereafter are deemed to be included in this schedule, and words and expressions in this schedule have the same meaning as in the schedules to the Customs Tariff.

Category 1—Fruits and Vegetables.

83. Potatoes, as hereunder defined:
(a) In their natural state; (b) Dried, desiccated, or dehydrated; (c) Sweet potatoes in their natural state; (d) Sweet potatoes, n.o.p.

84. Onions, in their natural state, including onions grown with tops, shallots, and onion sets.

93. Apples, fresh, in their natural state.

100. Grape fruit, when imported from the place of growth by ship, direct to a Canadian port.

100a. Grape fruit, n.o.p.

101. Oranges, n.o.p.

101a. Lemons.

101b. Oranges, the produce of Palestine (when imported direct from the country of growth and production or from a country entitled to the benefits of the British preferential tariff) during the months of January, February, March and April.

102. Limes.

152. Lime juice, fruit syrups and fruit juices, n.o.p.

152b. Orange juice, grapefruit juice, and blended orange and grapefruit juice, the product of the British West Indies, when imported direct from the country of production.

Category 2—Textiles.

523. Woven fabrics, wholly of cotton, not bleached, mercerized nor coloured, n.o.p., and seamless cotton bags.

523a. Woven fabrics, wholly of cotton, bleached or mercerized, not coloured, n.o.p.

523b. Woven fabrics, wholly of cotton, printed, dyed or coloured, n.o.p.

523c. Woven fabrics wholly of cotton, composed of yarns of counts of 100 or more, including all such fabrics in which the average of the count of warp and weft yarns is 100 or more.

523e. Woven fabrics wholly of cotton with cut pile, n.o.p.

523j. Shadow cretonnes, wholly of cotton, with printed warp and plain weft.

523k. Gabardines, wholly of cotton, with not less than 280 ends and picks of ply yarn per square inch.

523l. Woven fabrics, wholly of cotton, composed of yarns of counts of not less than 80 and not more than 99, including all such fabrics in which the average count of the warp and weft yarns is not less than 80 and not more than 99.

524a. Fabrics with cut weft pile, wholly of cotton or of cotton and synthetic textile fibres or filaments.

528. White cotton bobinet, plain, in the web.

529. Embroideries, lace, nets, nettings, bobinet, n.o.p., fringes and tassels, wholly of cotton.

529a. Lace and embroideries, wholly of cotton, not coloured, when imported for use exclusively by manufacturers in the manufacture of clothing, in their own factories.

530. Lace and embroideries, wholly of cotton, coloured, when imported for use exclusively by manufacturers in the manufacture of clothing, in their own factories.

531. Knitted fabric wholly of cotton, in the web, imported by manufacturers of rubber boots and shoes for use exclusively in the manufacture of such articles in their own factories.

532. Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly of cotton, n.o.p.; fabrics wholly of cotton, coated or impregnated, n.o.p.

532a. Handkerchiefs, wholly of cotton.

532b. Woven fabric, wholly of cotton, for covering books.

541a. Woven fabrics, wholly of jute, n.o.p.

542. Woven fabrics, wholly or in part of vegetable fibres, and all such fabrics with cut pile, n.o.p., not containing silk, synthetic textile fibres or filaments, nor wool.

542a. Woven or braided fabrics not exceeding twelve inches in width, wholly or in part of vegetable fibres, n.o.p., not to contain silk, synthetic textile fibres or filaments, nor wool.

545. Lace and embroideries, wholly of flax, or of hemp, or of flax, hemp and cotton, not coloured, imported by manufacturers for use exclusively in the manufacture of clothing in their own factories.

[Mr. St. Laurent.]

546. Articles made from fabrics, finished or unfinished, and all textile manufactures, wholly of jute, n.o.p.; fabrics wholly of jute, coated or impregnated, and jute fabric backed with paper.

548. Clothing, wearing apparel and articles, made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of vegetable fibres but not containing wool, n.o.p.; fabrics coated or impregnated, composed wholly or in part of vegetable fibres but not containing silk, synthetic textile fibres or filaments, nor wool, n.o.p.

553. Blankets of any material, not to include automobile rugs, steamer rugs, or similar articles.

554. Woven fabrics, composed wholly or in chief part by weight of yarns of wool or hair, not exceeding in weight six ounces to the square yard, n.o.p., when imported in the gray or unfinished condition, for the purpose of being dyed or finished in Canada.

554a. Woven fabrics, consisting of cotton warps with wefts of lustre wool, mohair or alpaca, generally known as lustres or Italian linings, n.o.p.

554b. Woven fabrics composed wholly or in part of yarns of wool or hair, n.o.p.

554c. Woven fabrics, composed wholly or in chief part by weight of yarns of wool or hair, not exceeding in weight four ounces to the square yard, when imported in the gray or unfinished condition, for the purpose of being dyed or finished in Canada.

554d. Woven or braided fabrics not exceeding twelve inches in width, whether with cut pile or not, wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal.

554f. Woven fabrics, composed wholly or in part of yarns of wool or hair, commonly known as billiard cloth.

555. Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of wool or similar animal fibres, but of which the component of chief value is not silk nor synthetic textile fibres or filaments, n.o.p.; fabrics, coated or impregnated, composed wholly or in part of yarns of wool or hair, but not containing silk nor synthetic textile fibres or filaments, n.o.p.

560a. Woven fabrics wholly or in part of silk, not to contain wool, not including fabrics in chief part by weight of synthetic textile fibres or filaments, n.o.p.

560b. Woven fabrics, wholly of silk, twenty-six inches in width, or less, n.o.p.

560c. Woven fabrics with cut pile, whether or not coated or impregnated, wholly or in part of silk or synthetic textile fibres or filaments, but not containing wool, n.o.p.

561. Woven fabrics wholly or in part of synthetic textile fibres or filaments, not to contain wool, not including fabrics in chief part by weight of silk, n.o.p.

561a. Fabrics, coated or impregnated, n.o.p.: (i) Composed wholly or in part of silk; (ii) Composed wholly or in part of synthetic textile fibres or filaments, but not containing silk.

562. Woven fabrics not exceeding twelve inches in width generally known as "ribbons", whether with cut pile or not, wholly or in part of silk but not containing wool.

562a. Woven fabrics not exceeding twelve inches in width, generally known as "ribbons", whether with cut pile or not, wholly or in part of synthetic textile fibres or filaments, but not containing silk nor wool.

564. Woven fabrics, of a kind not made in Canada, wholly, or in chief part, by weight, of silk or of synthetic textile fibres or filaments, or both, imported in the web in lengths of not less than five yards each by manufacturers of neckties, scarves, or mufflers, for use exclusively in the manufacture of such articles in their own factories.

564a. Irish poplin, composed wholly of silk and wool, not exceeding twenty-five inches in width, imported in the web in lengths of not less than five yards each, under such regulations as the minister may prescribe, by manufacturers of neckties, scarves or mufflers for use exclusively in the manufacture of such articles in their own factories.

565. Embroideries, lace, braids, cords, chenille, gimp, fringes and tassels, whether containing tinsel or not, nets, nettings and bobinet, n.o.p.

566. Plaited or braided lines and cords, non-elastic, whether of tubular or of solid construction, not exceeding one inch in circumference, wholly or in chief part by weight of vegetable fibres.

567. Clothing, wearing apparel and articles, made from woven fabrics and all textile manufactures, wholly or partially manufactured, n.o.p., of which silk is the component of chief value.

567a. Clothing, wearing apparel and articles, made from woven fabrics and all textile manufactures, wholly or partially manufactured, n.o.p., of which the component of chief value is synthetic textile fibres or filaments.

568. Knitted garments, knitted underwear and knited goods, n.o.p.

568a. Socks and stockings: (i) of wool; (ii) n.o.p.

569(i). Hats, hoods and shapes of fur felt or of wool-and-fur felt, under such regulations as the minister may prescribe.

569(ii). Hats, hoods and shapes of wool felt.

569(iii). Hoods and shapes, knitted, crocheted, plaited or woven in a single piece, and hoods and shapes of braid, not sewn, under such regulations as the minister may prescribe.

569(iv). Hoods and shapes, n.o.p.

569(v). Hats, n.o.p.

569a(i). Berets of wool, knitted and fulled.

569a(ii). Caps, bonnets and berets, n.o.p., under such regulations as the minister may prescribe.

569c. Hat braids, of a class or kind not made in Canada, whether woven, knitted or plaited, not exceeding six inches in width, imported for use exclusively in the manufacture of hat bodies or shapes, but not for use in the ornamentation or trimming of such bodies or shapes, under regulations prescribed by the minister.

569d. Woven fabrics, not exceeding two inches in width, made with unserrated selvages, generally known as single, double or four shot corded ribbon, imported by the manufacturers of men's hats for use exclusively in their own factories in making the bands for, or in binding the edges of, men's hats only.

570. Mats, door or carriage, other than metal, n.o.p.

571. Carpeting, rugs, mats and matting of straw, hemp, flax tow, jute or paper; carpet lining and stair pads.

571a(i). Mats with cut pile, of cocoa fibre.

571a(ii). Mats, n.o.p., rugs, carpeting and matting of cocoa fibre.

572. Oriental and imitation oriental rugs or carpets and carpeting, carpets and rugs, n.o.p.

573. Enamelled carriage, floor, shelf and table oilcloth, linoleum, and cork matting or carpets.

574a. Webbing, with strands of rubber interwoven, or braided therein, not exceeding twelve inches in width, n.o.p.; round elastic braid.

576. Window shades, mounted on rollers.

578. Regalia, badges and belts of all kinds, n.o.p.

619a. Rubber clothing and clothing made from water-proofed cotton fabrics.

818. Woven fabrics, wholly of cotton, bleached, when imported by manufacturers of handkerchiefs, for use exclusively in the manufacture of handkerchiefs wholly of cotton, in their own factories.

844. Woven fabrics, wholly of cotton, when imported by manufacturers of cotton bags for use exclusively in the manufacture of cotton bags in their own factories.

Category 3—Leather, leather products and related goods.

568b. Gloves and mitts of all kinds, n.o.p.

568c. Women's dress gloves of kid, elbow length.

604. Belting leather in butts or bends; and all leather further finished than tanned, n.o.p.

604a. Crust oil leather, for use in manufacturing chamois leather.

604b. Sole leather.

605. Leather produced from East India tanned kip, uncoloured or coloured other than black, when imported for use exclusively in lining boots and shoes; genuine reptile leathers.

605a. Genuine pig leathers and genuine Morocco leathers, so-called roller leathers.

606. Leather produced from East India tanned kip, n.o.p.

607. Leather, when imported by manufacturers of gloves or leather clothing, for use exclusively in manufacturing gloves or leather clothing, in their own factories.

607 Pt. 2. Leather, consisting of beef-cattle hides, horse-hides or sheep-skins, but not including suedes, Cabrettas, Spanish capes or African capes, when imported by manufacturers of gloves or leather clothing, for use exclusively in manufacturing gloves or leather clothing in their own factories.

607a. Leather, not further finished than tanned, in whole hides, in grains, or splits, when imported by manufacturers of upholstering leathers, for use exclusively in the manufacture of upholstering leathers, in their own factories.

608. Leather not further finished than tanned, and skins, n.o.p.

608a. East India kip leather, not further finished than tanned, for use in Canadian manufactures.

608b. Sheepskin and goatskin leather, not further finished than tanned, when imported by tanners for processing in their own factories.

611. Boots and shoes, pegged or wire fastened, with unstitched soles close edged.

611a. Boots, shoes, slippers and insoles of any material, n.o.p.

611b. Leather garments, lined or unlined.

617. Rubber boots and shoes.

622. Trunks, valises, hat boxes, carpet bags, tool bags, and baskets of all kinds, n.o.p.

623. Musical instrument cases and fancy cases or boxes of all kinds, portfolios and fancy writing desks, satchels, reticules, card cases, purses, pocket-books, fly books and parts thereof.

Category 4—Miscellaneous.

228. Soap powders, powered soap, mineral soap, and soap, n.o.p.

230. Castile soap.

252. Shoe blacking; shoemakers' ink; shoe, harness and leather dressing, and knife or other polish or composition, n.o.p.

326. (ii) Opal glassware, glass tableware, cut glassware and illuminating glassware, n.o.p.

326e. Articles of glass, not plate or sheet, designed to be cut or mounted; articles of glassware, when imported by manufacturers of silverware to be used in receptacles made of or electro-plated with precious metals or to be equipped with tops made of or electro-plated with precious metals, in their own factories.

362. Articles consisting wholly or in part of sterling or other silverware, n.o.p.; manufactures of gold or silver, n.o.p.

366. Watches of all kinds.

366a. Watch actions and movements, finished or unfinished.

367. Watch cases, and parts thereof, finished or unfinished.

368. Clocks, time recorders, clock movements, clockwork mechanisms, and clock cases.

429. Cutlery of iron or steel, plated or not: (a) Knife blades or blanks, and table forks of iron or steel, in the rough, not handled, ground nor otherwise manufactured; spoon blanks of iron or steel, not further manufactured than stamped to shape; blanks, of iron or steel, for scissors and shears, in the rough, not ground nor otherwise manufactured; (b) Table knives and table forks; (c) Penknives, jack-knives and pocket knives of all kinds; (d) Knives, n.o.p.; (e) Spoons; (f) Scissors and shears, n.o.p.; (g) Razor blades; razors and complete parts thereof.

440j. Trawls, trawling spoons, fly hooks, sinkers, swivels, sportsmen's fishing reels, bait, hooks, and fishing tackle, n.o.p.

441. Guns, rifles, including air guns and air rifles not being toys; muskets, cannons, pistols, revolvers, or other firearms, n.o.p.; cartridge cases, cartridges, primers, percussion caps, wads or other ammunition, n.o.p.; bayonets, swords, fencing foils and masks; gun or pistol covers or cases, game bags, loading tools and cartridge belts of any material.

441e. Guns and rifles of a class or kind not made in Canada.

450. Skates of all kinds, roller or other, and parts thereof.

[Mr. St. Laurent.]

511. Walking sticks and walking canes, of all kinds; golf clubs and finished parts thereof; skis; racquets and racquet frames and baseball bats; balls of all kinds for use in sports, games or athletics, n.o.p.

511b. Fishing rods.

518. Billiard tables, with or without pockets, and bagatelle and other game tables or boards, cues, balls, cue-racks and cue-tips.

624a(i). Dolls; toys of all kinds, n.o.p.

624a(ii). Mechanical toys of metal.

624a(iii). Juvenile construction sets of metal or rubber, consisting of various stampings, punched or moulded, and connections therefor; parts of the foregoing.

634. Feathers and manufactures of feathers, n.o.p.; artificial feathers, fruits, grains, leaves and flowers suitable for ornamenting hats.

652. Toilet or dressing combs, n.o.p.; fancy combs, not being jewelry.

656. Tobacco pipes of all kinds, pipe mounts, cigar and cigarette cases, cigar and cigarette holders, and cases for the same, smokers' sets and cases therefor, and tobacco pouches.

Category 5—Prepared Foods.

17. Cheese.

20. Cocoa paste or "liquor" and chocolate paste or "liquor", not sweetened.

20a. Butter produced from the cocoa bean.

21. Cocoa paste or "liquor" and chocolate paste or "liquor", sweetened.

23. Preparations of cocoa or chocolate, n.o.p., and confectionery, coated with or containing chocolate.

25a. Coffee, extract of, n.o.p., and substitutes thereof of all kinds.

26. Coffee, roasted or ground, and all imitations thereof and substitutes therefor, including acorn nuts, n.o.p.

29. Coffee, green, n.o.p. (not imported direct from the country of growth and production).

34. Mustard, ground.

44. Condensed coffee with milk.

85. Mushrooms and truffles, fresh, dried or otherwise preserved.

90a. Vegetables, dried, desiccated, or dehydrated, including vegetable flour, n.o.p.

90b. Vegetables, pickled or preserved in salt, brine, oil, or in any other manner, n.o.p.

90c. Vegetable juices, liquid mustards, soy and vegetable sauces of all kinds.

90d. Vegetable pastes and hash and all similar products composed of vegetables and meat or fish, or both, n.o.p.

103, 104. Fruits preserved in brandy, or preserved in other spirits.

105c. Fruits and nuts, pickled or preserved in salt, brine, oil or any other manner, n.o.p.

105d. Jellies, jams, marmalades, preserves, fruit butters and condensed mince meats.

105e. Fruits and peels, crystallized, glacé, candied or drained; cherries and other fruits of crème de menthe, maraschino or other flavour.

106. Fruits, prepared, in air-tight cans or other air-tight containers.

107. Preserved ginger.

140. Syrups and molasses of all kinds, the product of the sugar-cane or beet, n.o.p., and all imitations thereof or substitutes therefor.

141. Sugar candy and confectionery, n.o.p., including sweetened gums, candied popcorn, candied nuts, flavouring powders, custard powders, jelly powders, sweetmeats, sweetened breads, cakes, pies, puddings and all other confections containing sugar.

Mr. KNOWLES: We shall deal with them item by item?

Mr. ABBOTT: Yes. We are calling them item by item. This is just to replace the schedule as originally printed.

Motion agreed to.

Items 83, 84, and 93, agreed to.

Customs tariff—100. Grape fruit, when imported from the place of growth by ship, direct to a Canadian port.

Mr. KNOWLES: Can the minister give us some figures now about these several items at once? I have reference to the items dealing with citrus fruits.

Mr. ABBOTT: Yes. Does my hon. friend wish to know the basis on which the quota is established? I assumed that was his point.

Mr. KNOWLES: Yes.

Mr. ABBOTT: Taking this item of grapefruit, fresh, pre-war, imports were $1,202,000 from scheduled countries and $112,000 from non-scheduled countries, or a total of $1,314,000. In the twelve months ended June 30, 1947, imports of grapefruit, fresh, from scheduled countries were $3,761,000; from non-scheduled countries, $38,000, or a total of $3,799,000. I might give the committee the principal items, grapefruit and oranges. As to oranges, average imports, 1937-39, from scheduled countries, $5,996,000; from non-scheduled countries, $534,000, or a total of $6,530,000. In the twelve months ended June 30, 1947, there was a total of $21,072,000 from scheduled countries and $16,000 from non-scheduled countries, or a total of $21,088,000.

Mr. KNOWLES: Has the quota been arrived at?

Mr. ABBOTT: Yes.

Mr. KNOWLES: What is it?

Mr. ABBOTT: The quota is fifty per cent of the imports during the twelve months ended June 30, 1947.

Mr. HATFIELD: In dollar value?

Mr. ABBOTT: In dollar value. So that the quota would amount to roughly $10,500,000 for oranges, and roughly close to $2,000,000 for grapefruit.

The DEPUTY CHAIRMAN: Shall the item carry?

Mr. KNOWLES: On division.

Mr. JACKMAN: May I ask this question in regard to the fixing of quotas? Is that the formula which is applied all through or just to fruits and vegetables, or have you a separate formula for separate items or separate quotas?

Mr. ABBOTT: There is a different formula for each quota category. Fruits and vegetables are in category one. Their quota is fifty per cent. That applies to all the items in that.

Mr. HATFIELD: I should like to ask if all the quotas are based on the value or on the quantity?

Mr. ABBOTT: They are all based on the dollar value.

Item agreed to on division.

Item 100a agreed to.

Item 101 agreed to on division.

Items 101a, 101b, 102 and 152 agreed to.

Customs tariff—152b. Orange juice, grapefruit juice, and blended orange and grapefruit juice, the product of the British West Indies, when imported direct from the country of production.

Mr. JACKMAN: As far as one can judge from reading what appears in the press, no one has experienced a shortage of these citrus fruits. If that is correct as a fact, how is it so if we are getting in only fifty per cent of what we were getting in before?

Mr. ABBOTT: That is quite simple. There was a large crop of citrus fruit in the United States this year and prices are much lower. As a result, the physical quantity imported, although representing only fifty per cent of the value last year, so far has not been very far short of the quantity, and the price has been satisfactory up to the present time. Incidentally the importers are transferring a portion of their dollar collected from lemons into oranges and grapefruit, a more popular variety of fruit, and getting lemons from Italy.

Item agreed to.

Customs tariff—523. Woven fabrics, wholly of cotton, not bleached, mercerized nor coloured, n.o.p., and seamless cotton bags.

Mr. MACDONNELL (Muskoka-Ontario): I want to ask a general question with regard to this textile category, but first I want to ask an even more general question with regard to the production of cotton. I understand that

years ago—notably in 1938 and 1939—we bought a good deal of cotton in Brazil. What is the situation today? What are the possibilities of substituting Brazilian cotton for United States cotton, thereby saving dollars?

Mr. ABBOTT: Well, there is quite a pronounced trend that way now. Taking the figures for the eleven months ending November, 1947, in round figures we got $5,000,000 worth of cotton from Brazil and $7,800,000 from Mexico as against $39,000,000 worth from the United States. I do not know what the possibilities may be of expanding those Brazilian purchases, but obviously our chief source of supply must continue to be the United States.

Mr. MACDONNELL (Muskoka-Ontario): Could the minister let us know what relative amounts were purchased ten years ago, say in 1935 or 1936?

Mr. ABBOTT: I have not those figures here, but perhaps I could get them.

Mr. MACDONNELL (Muskoka-Ontario): Could we have them later in the evening? I would be very much interested in seeing them.

Mr. ABBOTT: I have not those figures now. I am sorry; I did not anticipate we would want figures quite so far back.

Mr. MACDONNELL (Muskoka-Ontario): I think they would be relevant to the question. Perhaps the minister could have one of his officials get them during the evening, maybe within the next hour or so. It seems to me that it would be of interest to know if the percentage was much larger ten years ago and, if so, why it was larger and what the possibilities are now.

Mr. ABBOTT: Whether we could get all that information this evening is a little hard to say. One would have to find out what production conditions are in Brazil and where they are selling their crop. They may be interested in selling it in some other section of the world where they can get United States dollars. However, I will see if I can get the figures.

Mr. JACKMAN: Would the minister give the formula as we come to the various categories?

Mr. ABBOTT: Yes. The formula is 400 per cent of pre-war, which works out at 32 per cent of last year's imports, and therefore 32 per cent is the figure which is allowed the individual importer, to determine his dollar quota for the current year.

[Mr. Macdonnell (Muskoka-Ontario).]

Mr. MACDONNELL (Muskoka-Ontario): I understand that a great deal of the imports in category 2, textiles, are really raw materials. I did not take that in at first; I thought they were things which were brought in and sold over the counter. I understand, however, that a very large quantity indeed of these imports are raw materials, and that they are used for further manufacturing. I think that raises an important question. I am advised that, as they are treated now, they are dealt with automatically; that no regard is taken to the effect on this industry or that industry. While the minister will realize with what pain I suggest that any additional power should be given to his colleague—and perhaps I should preface this by saying the minister has admitted we are in such a mess that all the ordinary rules of sensible conduct have to be thrown overboard—I am seriously asking whether these amounts, which I understand are very large, which come in under category 2 and are dealt with in what is represented to me as an entirely automatic way, really should not be in schedule III, and whether the same considerations the Minister of Trade and Commerce is going to use in reference to the items contained therein, that is to say the effect on this industry or that industry, should be taken into account. First of all, I should like to ask the minister if my information is correct, that being in schedule II and being on the quota they will be dealt with by the department which administers them practically in an automatic manner, and that the considerations which I suggest are important will not be taken into account. If that is so, I would ask him whether he does not agree that these other considerations should be applied.

Mr. ABBOTT: The situation is that all raw cotton and all cotton yarns are free; there is no prohibition. All other textiles are under quota. It is quite true, as my hon. friend suggests, that a very large proportion of these textiles are what might be described as semi-processed. It is also correct to say that the quota is determined more or less automatically, on the basis of imports during the preceding year—it is a dollar quota—and the importer is free to select the particular type of textile he will bring in, within his quota. I mentioned in connection with one of the very broad discretionary powers granted to me under section 6 of the bill, which I said I was sorry had to be in those broad terms, that one reason was to enable the minister administering schedule II to impose a special condition in connection with any particular quota holder if, for instance, he were using up all his dollar quota to bring in certain luxury products. I think

I cited chenille bedspreads instead of material for overalls, or that sort of thing. It may be, as my hon. friend suggests, that experience will demonstrate that it would be desirable to transfer some items from schedule II to schedule III. If that is the case, by virtue of an amendment which was put in when the bill was being considered in committee, at any time we can move any item from schedule II to schedule III. And it is pointed out to me that most of these fabrics are also sold over the counter as well, in larger and smaller quantities.

Mr. MACDONNELL (Muskoka-Ontario): Notwithstanding what the minister has said as to the powers reserved and what can be done, I suggest that there is an immediate problem of substantial size, and I wonder if it could not be dealt with now by the definite transfer of some of these items, perhaps all that come in as raw or semi-raw material, to schedule III. It is pointed out to me that putting them on a quota works a very great hardship on a considerable number of people who have recently gone into business, and I am assured that, as in other industries, many of them are returned men.

There is one entirely fortuitous situation which I am told has worked great hardship. It is said that, actually not by law but by custom and practice, there has been a quota here in Canada for the last six or seven years, and that a good many of the people going into business in these small textile establishments found they could not get supplies here in Canada, because the supply houses in this country had their lists of customers and could not take on more; and I am told that these new businesses have had to rely solely on United States supplies. It is quite obvious that if they have been relying solely on United States supplies a quota of 32 per cent is no good to them.

I am also told—though perhaps this is irrelevant to the immediate argument, but at any rate it is incidental to it, and it is an unfortunate thing—that there has sprung up a mushroom lot of wholesalers who flourished greatly, to my regret, during the war, and who now apparently are reappearing. They are on the quotas. They have worked themselves in as intermediaries and they are to be found again, getting in between and making use of the quotas they had during the war to feather their own nests in these new circumstances. For that reason again I am asking—and I hope there may be others in the house who will be sufficiently interested in this to take part in the argument, if they agree—whether this should not be handled in some different way, because to me it seems that this situation will work great hardship on the smaller people, those who were not in business in 1940 or 1941, when the informal Canadian quotas were established.

Mr. ABBOTT: They did not have to be in business in 1940 or 1941; only at the end of June, 1947.

Mr. MACDONNELL (Muskoka-Ontario): I am afraid I have not made my point clear. I quite realize that to get on the quota under the schedule, the quota which is now being effected by the government, anyone who was in business in June, 1947, is eligible. I am suggesting, however, that there was an effective though informal quota system in effect in Canada prior to 1947. The minister's assistant will know whether or not that is true; but I am assured by competent people that it is the case and for that reason you have this very great hardship on the people who are placed under this strict quota system. If that is so, I suggest that the very existence of that quota will make their position impossible, and that an entirely different set of considerations might be applied in the cases where these come in as raw materials.

I confess I was under an entire misapprehension as to schedule II. I thought schedule II was not a raw materials schedule. I thought it consisted merely of merchants' goods.

Mr. ABBOTT: It is not really raw materials; it is semi-processed.

Mr. MACDONNELL (Muskoka-Ontario): It is raw materials for those carrying on the production of finished garments. I understand that the figure is about $30,000,000.

Mr. ABBOTT: Yes. In the base period, imports from scheduled countries amounted to $10,301,000 and, from non-scheduled countries, $30,591,000, making a total of $40,892,000. Those figures are to be found at page 1303 of *Hansard*.

Mr. MACDONNELL (Muskoka-Ontario): I hope I have made my point, and that the minister will take it seriously; because, as I say, it seems to me that the effect of this quota is something which I do not believe was intended. The effect of it appears to be that it will deal a body blow to a very considerable number of people who are now just getting their feet under them in business. I know that was not intended.

Mr. ABBOTT: The effect of this quota is to put great pressure upon buyers to try to get textile imports from the United Kingdom. That is just what was intended. That is one of the main purposes as to why this quota

was fixed on its present basis. I have tried to bring that out several times in the course of discussion on the bill.

It is very easy to get textiles in the United States. It is easy to see them. It is easy to see samples and, incidentally, prices have been very attractive. But under existing conditions we are extremely anxious that Canadian importers should see what the British have to offer, and should try to get their textiles in the United Kingdom, as they used to do in 1940. That is why these quotas have been fixed on the basis indicated, or that is largely the reason. We believe that it will now have the effect of putting great pressure upon importers, such as those to whom my hon. friend referred, to scrounge around to see if they cannot get British textiles instead of American. That is the purpose of putting the quota on this basis.

If they cannot get British textiles, then we shall have to see what happens—if they are essential. But we are anxious to have it work as I have suggested, and this has been designed and drawn on that basis, namely, that there should be a real incentive on the textile importers to find out what the British have to sell.

Mr. MACDONNELL (Muskoka-Ontario): I am not disagreeing with that at all.

Mr. ABBOTT: I know my hon. friend is not.

Mr. MACDONNELL (Muskoka-Ontario): I wish to make that clear, because my argument was not suggesting necessarily that a single extra dollar's worth of United States goods should come in. However, it was suggested that the basis upon which they are at present allocated seems to be working a great hardship on a great many people. But a different test—a test which the minister agrees will not be applied in the department where it is now being considered, and where it will be dealt with automatically—should be applied, and that is the test of keeping people in business. And that is the test which the Minister of Trade and Commerce is going to apply, and which I think the minister will agree is a very desirable test in this case.

Mr. ABBOTT: That is an important point. The British are trying to send us about ten times the yardage they sent us last year in cotton textiles. These quotas are, as I say, designed to enable them to do that. As I said to the committee the other night, there is no effective quota restriction for the time being so far as British textiles are concerned. There is an extremely effective one so far as United States textiles are concerned. Believe me, if I were a textiles importer, with these quotas as they are, I would be scrounging around pretty hard to try to find what British textiles I could get. And that is what we are trying to have them do.

Mr. MACDONNELL (Muskoka-Ontario): I wish to point out on the strength of the argument I make, that my information is that by reason of this system two manufacturers of overalls have had to close down due to the automatic application of this rule. I suggest that if they were in the hands of the Minister of Trade and Commerce, considering their position—and I am embarrassed when I make this observation; nevertheless I make it—if the Minister of Trade and Commerce were in the position of considering this industry which, presumably, he wishes to keep together, and not only keep it in existence but have it prosper we might reach a very different result indeed.

Mr. ABBOTT: This is the position of any textile importer today; any textile importer can get, first, 32 per cent of his United States imports last year. Second, he can get at least all that he was able to get in Canada and, third, all that he can get from non-scheduled countries, which means the United Kingdom, Italy, France and any of the other countries which produce textiles. That is open to every textile merchant in this country. I am told that Canadian buyer groups are now in the United Kingdom actually buying British textiles.

Mr. MACDONNELL (Muskoka-Ontario): I do not want to be tiresome about this matter, but I wish to point out that all the minister has said sounds very well and I know it is all true. But it does not affect at all the cases I am talking about. It does not do a single thing for the small man just getting started, who has not been able to get in Canada what the minister has said he was entitled to, and should get in Canada. But the fact is that many of them were getting nothing. Therefore that man is now expected to carry on with the 32 per cent, and he cannot do so.

Mr. ADAMSON: I should like to ask the minister about the special cotton fabric used in the manufacture of automotive tires. I understand that this is one of the highest grades of cotton bought. I know they used to buy the very highest grade of Sea Island cotton and the very highest grade of long staple Egyptian cotton. What effect will these schedules have on these goods?

Mr. HOWE: They are using rayon now.

Mr. ABBOTT: The position at the present time is that interim permits have been issued to anyone requiring an amount from the United States until importers can explore the possibility of obtaining supplies in the United Kingdom.

Mr. ADAMSON: Does this material, this long staple cotton, come in as a twill or as a yarn, or does it come in as a fabric?

Mr. ABBOTT: I am told that it is described as tire cord fabric.

Item agreed to.

Items 523a, 523b, 523c, 523e, 523j, 523k, 523l, 524a, 528, 529, 529a, 530, 531, 532, 532a and 532b agreed to.

Customs tariff—541a. Woven fabrics, wholly of jute, n.o.p.

Mr. ADAMSON: I understand that jute was primarily a substance for bag making, concerning which we had some discussion this afternoon. It is fabricated almost entirely in Scotland, of East Indian raw materials. Will the minister say what percentage we get from the United States and scheduled countries?

Mr. ABBOTT: I will get those figures. Let me say that this is a comparatively small item. Woven fabrics, wholly of jute, unbleached and not coloured are still on the free list, under item 541. Item 541a refers to woven fabrics wholly of jute, but most of the items come under item 541. This is not a large item. In the base period we imported $40,000 worth from scheduled countries. But the big item is the one to which I referred earlier.

Mr. ADAMSON: That is the material used to make sacks and bags.

Mr. ABBOTT: Yes.

Item agreed to.

Items 542, 542a, 545, 546, and 548 agreed to.

Customs tariff—553. Blankets of any material, not to include automobile rugs, steamer rugs, or similar articles.

Mr. HAZEN: Why are automobile rugs or similar articles excluded?

Mr. ABBOTT: Nearly all these items come from the United Kingdom. They are a separate item as well.

Item agreed to.

Items 554, 554a, 554b, 554c, 554d and 554f agreed to.

Customs tariff—555. Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of wool or similar animal fibres, but of which the component of chief value is not silk nor synthetic textile fibres or filaments, n.o.p.; fabrics, coated or impregnated, composed wholly or in part of yarns of wool or hair, but not containing silk nor synthetic textile fibres or filaments, n.o.p.

Mr. ADAMSON: This is a general item which takes in practically all clothing of wool and silk. What came in from the scheduled countries and what from non-scheduled countries?

Mr. ABBOTT: This is a very large item. Women's and children's outer garments, $1,295,000 from scheduled countries—I am speaking of the base period—and $900,000 from non-scheduled countries, or a total of $2,195,000. Clothing, wearing apparel, n.o.p., $112,000 from scheduled countries and $225,000 from non-scheduled countries. Vests, pants and overcoats, $126,000 from scheduled countries and $607,000 from non-scheduled countries. Travelling rugs, $43,000, all from non-scheduled countries. Wool manufactures n.o.p., $127,000 from scheduled countries and $46,000 from non-scheduled countries. Wool fabrics, coated or impregnated, $17,000 from scheduled countries and $1,000 from non-scheduled countries. It is a large item, but the main part is women's and children's clothing.

Item agreed to.

Items 560a, 560b, 560c, 561 and 561a agreed to.

Customs tariff—562. Woven fabrics not exceeding 12 inches in width generally known as "ribbons," whether with cut pile or not, wholly or in part of silk but not containing wool.

Mr. MACDONNELL (Muskoka-Ontario): What is the significance of narrowing the width to not exceeding 12 inches?

Mr. ABBOTT: I am told that if it is over 12 inches it becomes a fabric. This is covering materials in the ribbon category and it is just a technical way in which the item has been drawn.

Item agreed to.

Items 562a, 564, 564a, 565, 566, 567, and 567a agreed to.

Customs tariff—568. Knitted garments, knitted underwear and knitted goods, n.o.p.

Mr. ADAMSON: Will the minister give us a breakdown of this item, which I gather is another major item?

Mr. ABBOTT: The amounts may not be large in some of the categories, but the large item is cotton knitted underwear, of which

we imported $1,702,000 from scheduled countries and only $199,000 from non-scheduled countries. Knitted silk fabrics, $2,000 from scheduled countries and none from non-scheduled countries. Knitted silk underwear, $8,000 from non-scheduled countries. Knitted wool fabrics, $765,000 from scheduled countries and $151,000 from non-scheduled countries. Knitted wool underwear, $62,000 from scheduled countries and $420,000 from non-scheduled countries. Knitted artificial silk fabrics, $2,361,000 from scheduled countries and $298,000 from non-scheduled countries. Knitted artificial silk underwear, $682,000 from scheduled countries and $164,000 from non-scheduled countries. Knitted garments, n.o.p., $2,473,000 from scheduled countries and $1,629,000 from non-scheduled countries. Knitted goods, n.o.p., $92,000 from scheduled and $1,000 from non-scheduled countries.

Mr. ADAMSON: The total of this item runs to about $20,000,000?

Mr. ABBOTT: It would run to between $8,000,000 and $10,000,000.

Mr. ADAMSON: One item is $6,000,000.

Mr. ABBOTT: The largest item is $2,400,000; there is another one of $2,300,000 and another one of $1,700,000. I am speaking of imports from scheduled countries.

Mr. FLEMING: On Tuesday night the Minister of Finance was good enough to place on *Hansard* statistics with respect to schedule I, and I am wondering if he would be good enough to do the same thing with respect to schedule II. It would have been much better if we could have had the information from which he is reading.

Mr. ABBOTT: I am told that categories 1, 2, 3 and 5 are reasonably accurate. What I have before me are the work sheets. Category 4 has not been revised. This is the quota schedule and perhaps this had better not be put on *Hansard* as it is. As I have indicated, these figures are taken from statistics published by the dominion bureau of statistics. I could have this schedule checked and brought up to date, particularly to make sure that category 4 is accurate. My officials tell me that these work sheets from which I am giving the committee this information are approximately correct, but they would need to be checked before being placed on *Hansard*.

Mr. FLEMING: Would it be possible to do that in time to have it included in the *Hansard* record of this debate?

Mr. ABBOTT: I am told that the figures are accurate as they appear here, but there have been certain amendments which have not been put in. It would probably take twenty-four hours to prepare that information. Even if it were not possible to have it ready before the end of this debate I feel sure the committee would consent to have it included as an appendix to *Hansard* while we are still discussing the emergency measures.

Mr. FLEMING: It would be useful to have it there as a matter of record.

Mr. ABBOTT: I think it would.

Mr. FLEMING: I realize that the information is available in another form but it means searching out each individual item.

Mr. ABBOTT: We shall have these figures brought up to date and placed on *Hansard* as soon as available.

Item agreed to.

Customs tariff—569a (i). Berets of wool, knitted and fulled.

Mr. MACDONNELL (Muskoka-Ontario): What amount is involved in this item of berets?

Mr. ABBOTT: From scheduled countries $1,000, and non-scheduled $14,000. All these items under item 569 might well be included under one item, but in the customs tariff they are split into several items. I am told that this is a French treaty item.

Mr. FLEMING: Quotas were part and parcel of P.C. 4678. Under this measure the particular percentage is not part of the act. The power is simply exercised by the minister to set the percentages.

Mr. ABBOTT: By order in council, the same as was the case with P.C. 4678. It has to be done by regulation through order in council.

Mr. FLEMING: That is the point I am coming at. I have no doubt the committee understands that the whole percentage basis of the schedule could be changed overnight.

Mr. ABBOTT: Quite so.

Mr. FLEMING: Will the minister say if, in the light of changing circumstances, there is any likelihood of the government changing the whole percentage basis on which we are proceeding?

Mr. ABBOTT: Of course that would depend on circumstances. As conditions improve, it would be possible to change the percentage figures. Frankly I do not contemplate that these initial percentages will be changed in the immediate future. They were arrived at after a great deal of study of trade statistics

and I would say that, as a general rule, it is unlikely that these quota percentages will be changed in the near future.

Mr. McLURE: I notice that several of these items contain the phrase "under regulations prescribed by the minister". Which minister is that?

Mr. ABBOTT: This language is taken from the customs tariff items.

Mr. McLURE: Would it be the Minister of Finance or the Minister of National Revenue?

Mr. ABBOTT: That particular question would come under the Minister of National Revenue, who administers the customs tariff.

Mr. MACDONNELL (Muskoka-Ontario): Would the minister explain why in category 2 the quota is 32 per cent, and in category 3, 68 per cent?

Mr. ABBOTT: I will give that explanation although I have given it before. The quotas are 200 per cent of pre-war, except category 2, which is textiles, where the quota is 400 per cent. The particular percentage, 28, 32, 42, 50, 68, as the case may be, is the proportion which the total quotas thus arrived at bear to the imports of last year.

Mr. MACDONNELL (Muskoka-Ontario): I am afraid I have not quite grasped it yet. Could the minister put it differently, getting it down to present times instead of giving us these percentages based on multiplying and dividing? Could he give us the percentage which it represents of, say last year's business?

Mr. ABBOTT: The textile companies can import 32 per cent of the textiles they imported from the United States last year, and they are free to import as much as they can get from non-scheduled countries. In other words, our United States imports of textiles are cut down by about two-thirds.

Mr. MACDONNELL (Muskoka-Ontario): Do I understand that it is about 32 per cent of what they got last year?

Mr. ABBOTT: Yes.

Mr. MACDONNELL (Muskoka-Ontario): Then why is it considered desirable to let the textile people have only 32 per cent and the leather people 68 per cent?

Mr. ABBOTT: The textile people are allowed a quota of 400 per cent of pre-war. In most other cases it is only 200 per cent of pre-war.

Mr. MACDONNELL (Muskoka-Ontario): I am sorry to be so dense. The minister agrees that the really interesting thing from the point of view of 1948 is not what was going on ten years ago. A more illuminating comparison would be with what was going on last year, and I ask why was it considered desirable that the textile people should get only one-third of what they got last year while the leather people get twice as much.

Mr. ABBOTT: Because we are trying to save United States dollars, and the pattern of our imports has changed from pre-war. Pre-war we used to import far more textiles from the United Kingdom than from the United States, but because Britain was at war we were driven to buying textiles in the United States. Now, because of exchange difficulties, and because we would like to go back to our traditional market abroad, the quotas were framed to cut down drastically our textile imports from the United States and allow the greatest freedom to import textiles from the United Kingdom in the hope of re-establishing the traditional pre-war pattern of textile imports.

Mr. MACDONNELL (Muskoka-Ontario): I am grateful to the minister for accomplishing the impossible—he has made me understand.

Mr. ADAMSON: The minister said just now that there was a tremendous supply of United States textiles at a very attractive price, and by inference the United Kingdom price was not so attractive. Even if we had no dollar exchange difficulties I would be in great sympathy with the minister in trying to channel our trade to the United Kingdom. Unless we are prepared to buy textiles from the United Kingdom, our whole economy and the whole trade position of the world will get into an awful mess, so that it is an excellent thing to encourage our trade with Britain. It is only fair to the United Kingdom that our textile trade with them be re-established; and it is up to us, other things being equal, or even if they are not equal, to do what we can to establish that industry. But the minister mentioned that United States prices were extremely attractive.

Mr. ABBOTT: I do not think I said "extremely".

Mr. ADAMSON: And by inference the United Kingdom price was not so attractive.

Mr. ABBOTT: I am told that British textiles of standard lines are getting to be pretty well priced. United States textile prices are higher than our textile prices, and I am told that United Kingdom prices of standard lines are getting well into line and that they are

trying to export to us ten times as much in the textile category as they did last year. I hope they succeed.

Mr. ADAMSON: What did they export to us last year?

Mr. ABBOTT: In cotton, which is an important field, they gave us 8,000,000 yards last year and they hope to give us 80,000,000 this year.

Mr. ADAMSON: Any idea of the dollar value?

Mr. ABBOTT: I am afraid I do not have it.

Mr. JACKMAN: We on this side understand why the percentage is fixed as it is in the case of textiles, because in the result the quota as applied to United Kingdom exporters will be as much as they will be lucky enough to meet. But would the minister be good enough to answer the other half of the question of my colleague the hon. member for Muskoka-Ontario about leather goods, which have a 68 per cent quota? We understand one-half of the matter, but because of our lack of background knowledge we do not understand the 68 per cent, as in the case of textiles. Will the minister give an answer as in the case of textiles?

Mr. ABBOTT: In 1947, for the twelve months ended December, all textile items from the United Kingdom were $91,235,809. I have not the breakdown as between wool and cotton.

Mr. ADAMSON: It is not particularly important to get the breakdown between wool and cotton, because the industry as a whole must be considered.

Mr. POULIOT: When we look at the advertisements of the big stores in the newspapers we see prices of imported British goods which I for one do not understand. I should like to know how it is that these goods are so expensive. I cannot understand why prices are mostly prohibitive, and how we can save United States dollars by spending so much more money to buy these goods. I find it extraordinary. A good hat costs $15—a soft felt hat—when imported from the United Kingdom, and other goods correspondingly. Textiles are most expensive. How is the Canadian economy to buy goods that are so much higher than normal prices?

Mr. ABBOTT: As regards leather goods and rubber goods, the quota percentage there is 68 per cent, and that is arrived at in this way. Pre-war imports in 1937-39, from scheduled countries, $3,398,000. Imports from scheduled countries, base period 1946-47, were $9,739,000. Twice 200 per cent of $3,398,000, or $6,000,000 odd, is 68 per cent of the last year's figure, so that there is a direct relationship there. You take 200 per cent of your pre-war average and establish the percentage which that dollar figure represents of last year's imports, and that percentage is the quota for the past year.

Mr. JAENICKE: And that percentage quota may differ with each commodity?

Mr. ABBOTT: It has the effect of tending to re-establish the pattern of trade as it existed pre-war.

Mr. POULIOT: I would ask the minister, who is always so courteous and obliging, to tell me something in answer to my question about high prices of imported goods when there is little duty on them.

Mr. ABBOTT: What kind of goods?

Mr. POULIOT: Take a hat, for example. My hon. friend knows that a good hat such as we paid $7 and $8 for before, an imported British or French hat, now costs $15. How is it that when the pound is so low and the franc has been devalued, we in Canada have to pay so much for these imported goods? That is the first part of the question. The second part is this: where is the economy when we spend twice as much to pay for these goods?

Mr. ABBOTT: I do not know that I can give a satisfactory answer to that. I suppose the reason that the price of the English or the French hat is higher is that there has been a greater increase in costs, including wages, in those countries than there has been here. It is so long since I bought a hat that I do not know about the prices. One was given to me last year by a grateful constituent, so that I have not had to buy a hat for some time, but I have no doubt that they do cost $15. As to the second part of the question, the advantage in buying goods from non-scheduled countries, if such goods are at a competitive price, is that they do not involve the expenditure of United States dollars which we need badly, while we are fairly well supplied with sterling or francs as the case may be.

Mr. JACKMAN: Would the minister be willing to add to those reasons the fact that the pound is much too high in relation to the Canadian dollar?

Mr. ABBOTT: That is a matter on which we do not need to express an opinion.

Mr. POULIOT: We should make hats with pounds. They would be much cheaper.

Mr. MACDONNELL (Muskoka-Ontario): In view of the minister's statement, I think it might be well to ask this question. Take quotas with scheduled countries. It may not be very practical; but suppose it were possible, by reason of a three-cornered arrangement, to buy goods beyond the quota say from Switzerland, without the use of hard currency, would there be an objection to that?

Mr. POULIOT: The hon. gentleman, who is a financier of fame, knows very well that at the present time the currency of Switzerland ranks top high, and moreover it is at a premium. That is one country in the world where the United States dollar is not worth 100 cents. It is not at par but below par. Let us discuss this question of trade in an effort to understand the matter. I still come back to my point that our trade with the United States is real trade, that our trade with Switzerland would be real trade, but our trade with many other countries will not be real trade unless we permit barter, and it is impossible to practise that method if the government intervenes. It might be between two governments, between two individuals, and between two companies, but it cannot be done between two individuals when the government intervenes, and that is the reason for our difficulty with Great Britain. It is due to the fact that the government of Great Britain is the obstacle in the way of trade with that country, just as the United States dollar is the obstacle in the way of our trade with that country.

Mr. BENTLEY: I know what the hon. member is trying to say, but he is not right.

Mr. POULIOT: Opinions are free, but my hon. friend did not agreee with me at the time we were supplying money to buy these things. I thought that process was entirely wrong. He was then full of conviction as he is now, but he was entirely wrong and unfortunately I was right. I do not say that to boast that I am always right, but I remember my hon. friend has been wrong much oftener than I have been, especially in this matter.

Mr. ADAMSON: Before we leave textiles I have one question to ask the minister. I gather from the fact that we imported $91,000,000 worth last year from the United Kingdom, that our imports from the United Kingdom will be expected to run at the staggering figure of $900 million, or nearly a billion dollars. Can the economy of Canada absorb a billion dollars worth of textiles?

Mr. ABBOTT: The figure I was mentioning of ten times was in cotton yardage. That is a a class of import that we are particularly short of here in Canada, and the ratio I referred to of ten times last year was in cotton yardage. We are doing fairly well on wool textiles—suitings and that sort of thing.

Mr. ADAMSON: We shall be able to get a suit next year?

Mr. ABBOTT: I hope so.

Mr. MACDONNELL (Muskoka-Ontario): Although I am timid of engaging the hon. member for Temiscouata, nevertheless I will not allow what he said to divert the minister from answering my question. I agree with the hon. member from Temiscouata about the currency of Switzerland, but I made clear that my question was based on the supposition that, by some three-cornered arrangement, there might be a case we could get Swiss goods with sterling.

Mr. ABBOTT: It is an interesting suggestion. I have been answering so many questions here today that my brain is not clicking now as clearly as it might.

Mr. BENTLEY: I want to make something clear to the hon. member for Temiscouata, if that is possible. I want to agree with him when he says that when governments interfere with barter, it makes things difficult. With that part of his statement I agree. But I do not agree with his statement that the British government is to blame for what is going on now under this bill. This government in Canada is to blame for applying the non-discrimination clauses of the Geneva trade agreements when dealing with these restrictions, not the British government.

Mr. POULIOT: Well, I am not going to argue at full length about this, because I would be discussing the principle of the bill. I have been called to order too often and supposedly for discussing the principle of it. I will wait for some other time to do so again. I will tell my hon. friend that it is unfortunate that members who do not belong to the C.C.F. group know the dealings of the present British government better than they themselves do, although they are their own kin. I know very well that they belong to the same family and this is why they try to protect them; they would never admit that the British government is wrong. I will say that if Churchill has been right once, it was when he called them a bunch of incompetents, and I will laud again the Minister of Reconstruction and Supply

(Mr. Howe) for having denounced them all, although I have great respect for Mr. Attlee personally.

Item agreed to.

Items 569(ii), 569(iii), 569(iv), 569(v), 569a (i) and 569a(ii) agreed to.

Customs tariff 569c. Hat braids, of a class or kind not made in Canada, whether woven, knitted or plaited, not exceeding six inches in width, imported for use exclusively in the manufacture of hat bodies or shapes, but not for use in the ornamentation or trimming of such bodies or shapes, under regulations prescribed by the minister.

Mr. CRUICKSHANK: I have a question. The hon. member for Muskoka-Ontario overlooked this.

Mr. MACDONNELL (Muskoka-Ontario): I greatly appreciate the hon. member's help.

Mr. CRUICKSHANK: I am sure the hon. member needs it. This item reads in part: "hat braids, of a class or kind not made in Canada". Does that include braid for the brass hats we have to listen to here at Ottawa?

Item agreed to.

Customs tariff—570. Mats, door or carriage, other than metal, n.o.p.

Mr. HARKNESS: As a matter of interest, I see this item mentions mats, door or carriage, other than metal, n.o.p. Then in item 573 we find mention of enamelled carriage, floor, shelf and table oilcloth, linoleum and cork matting or carpets. Would the minister tell us what these carriage mats and enamelled carriage mats are?

Mr. ABBOTT: I am afraid I cannot give any definite answer. It is an item which has been in the customs tariff for some time.

Mr. HARKNESS: I would suggest that these things are a bit of an anachronism and they were brought out in the days of sixty years ago when carriages were quite a common item. Possibly that should be looked into to make it apply to automobiles.

Mr. ABBOTT: People may not have carriages out in Alberta but we still have them in the eastern townships.

Item agreed to.

Items 571 and 571a agreed to.

Customs tariff—572. Oriental and imitation oriental rugs or carpets and carpeting, carpets and rugs, n.o.p.

Mr. ADAMSON: Surely we are not likely to get many oriental rugs from scheduled countries?

Mr. ABBOTT: This is under quota.

[Mr. Pouliot.]

Mr. ADAMSON: Yes, even under quota.

Mr. ABBOTT: Curiously enough we got $371,000 from scheduled countries in the base period and $3,299,000 from non-scheduled countries.

Mr. JACKMAN: They must have come from Cairo, Tennessee.

Item agreed to.

Items 573, 574a and 576 agreed to.

Customs tariff—578. Regalia, badges and belts of all kinds, n.o.p.

Mr. MACDONNELL (Muskoka-Ontario): I am now speaking on behalf of the hon. member for Fraser Valley, and I want to know about regalia and things of that kind.

Mr. KNOWLES: That is for the Liberal convention in August.

Mr. GIBSON (Comox-Alberni): That is for Orangemen.

Mr. ABBOTT: There is plenty of production of Liberal regalia in Canada. We do not need to go outside the country for that.

Item agreed to.

Items 619a, 818 and 844 agreed to.

Customs tariff—568b. Gloves and mitts of all kinds, n.o.p.

Mr. ADAMSON: Before the minister discusses this, I should like to have one clarification of the differentiation between leather and textiles. As I understand it with regard to leather, sixty-eight per cent of the pre-war quota is allowed under the quota.

Mr. ABBOTT: The same percentage exactly; 200 per cent of the pre-war average is 68 per cent of imports last year in the base period. That is the percentage we are allowing.

Mr. ADAMSON: And that goes for textiles?

Mr. ABBOTT: No. In textiles, 400 per cent of pre-war is 32 per cent of last year.

Mr. ADAMSON: And it is based on the 1947 figure?

Mr. ABBOTT: Taking textiles now, 400 per cent of the 1936-39 average is 32 per cent of last year's actual imports for the year ended June 30, 1947.

Mr. ADAMSON: Of textiles?

Mr. ABBOTT: Textiles.

Mr. ADAMSON: And 200 per cent for leather?

Mr. ABBOTT: Two hundred per cent of the 1936-39 average for leather goods is 68 per cent of last year's imports.

Mr. ADAMSON: Therefore the textiles get a much larger quota?

Mr. ABBOTT: Well, it depends; 400 per cent gives 32 per cent, and 200 per cent gives 68 per cent.

Mr. GIBSON (Comox-Alberni): Very simple.

Item agreed to.

Customs tariff—568c. Women's dress gloves of kid, elbow length.

Mr. CRUICKSHANK: Why are these just elbow length? Is that the new look, or what is it?

Item agreed to.

Items 604, 604a and 604b agreed to.

Customs tariff—605. Leather produced from East India tanned kip, uncoloured or coloured other than black, when imported for use exclusively in lining boots and shoes; genuine reptile leathers.

Mr. MACDONNELL (Muskoka-Ontario): Will the minister give a little information on that interesting item?

Mr. ABBOTT: Yes, that is a tariff item. What explanation would my hon. friend like?

Mr. MACDONNELL (Muskoka-Ontario): East India.

Mr. ABBOTT: That is the type of leather. Item 605 is a small item. Imports were $87,000 last year, all from non-scheduled countries.

Item agreed to.

Item 605a agreed to.

Customs tariff—606. Leather produced from East India tanned kip, n.o.p.

Mr. LENNARD: As a matter of information, what is tanned kip?

Mr. ABBOTT: Well, I am not an expert on leather, but I am told it is the leather used for lining shoes.

Item agreed to.

Items 607, 607 part 2, 607a, 608, 608a and 608b agreed to.

Customs tariff—611. Boots and shoes, pegged or wire fastened, with unstitched soles close edged.

Mr. ADAMSON: This item, together with the next two, covers most kinds of boots and shoes we normally wear. Would the minister give some breakdown of the imports from scheduled and non-scheduled countries? This is another question that has come up recently in the cost of living discussion going on in another place, and it might be of interest to have some idea of prices from scheduled and non-scheduled countries, just to compare them with our own prices.

Mr. ABBOTT: Well, imports, taking boots and shoes together, in the base period 1946-47 were one million pairs, while domestic production was over forty million pairs. In dollar value item 611 is negligible, only $1,000 from non-scheduled countries. Canvas shoes, rubber soles, $13,000 from scheduled countries and none from non-scheduled. Men's boots and shoes, $617,000 from scheduled countries and $415,000 from non-scheduled countries. Women's boots and shoes, $2,668,000 from scheduled countries and only $176,000 from non-scheduled countries. Children's boots and shoes, $65,000 from scheduled countries and $26,000 from non-scheduled countries. Boots and shoes, felt uppers, $19,000 from scheduled countries, $129,000 from non-scheduled countries. Boots and shoes, not otherwise provided for, $394,000 from scheduled countries and $26,000 from non-scheduled countries. Insoles of all kinds, $21,000 from scheduled countries and $1,000 from non-scheduled countries.

Mr. ADAMSON: Then I take it that the big item is the importation of women's shoes from the United States?

Mr. ABBOTT: That is correct; that is the biggest single item.

Mr. ADAMSON: And it amounts to $2,668,000?

Mr. ABBOTT: Yes.

Mr. ADAMSON: And we are cutting that down to what?

Mr. ABBOTT: Sixty-eight per cent.

Mr. ADAMSON: We are cutting 68 per cent off that?

Mr. ABBOTT: No, we would cut off 32 per cent. We would allow in 68 per cent and would make a reduction of 32 per cent, or roughly one-third.

Mr. ADAMSON: Then we can still expect an importation of women's shoes from the United States amounting to approximately $1,500,000 or $2,000,000?

Mr. ABBOTT: Something over a million and a half dollars, I would think, if they do not spend their money on something else. You see, the quota of the shoe importer will be a global quota for women's shoes, men's shoes and what have you. He can decide whether he will spend his dollar quota for women's shoes or men's shoes or some other item.

Mr. ADAMSON: But our experience has been that women's shoes are the big item we import from the United States?

Mr. ABBOTT: But remember, the dollar figure covers the whole of category 3, dealing with leather products and related goods. I would think that my hon. friend is right, and that most of it would be used for women's shoes.

Mr. ADAMSON: The total in this shoe category runs to what?

Mr. ABBOTT: The total import of women's shoes was $2,668,000, but that is included in a greater amount. The dollar quota is 68 per cent of the importations during the last year, and if the importer brought in shoes last year he can switch over to something else this year, as long as it comes within the same category.

Mr. ADAMSON: But what I am driving at is that, as far as I can see, this is an item we shall have great difficulty in breaking down, because of the peculiar shape of women's feet in North America. Apparently English shoes for women will not fit the feet of American or Canadian women, so it appears to me that this will be one of the items we shall have great difficulty cutting anything from, because of the peculiarities which the minister probably knows as much about as I do.

Mr. ABBOTT: No; women's shoes are a closed book to me, but the overwhelming proportion of women's shoes worn in Canada are made in Canada.

Item agreed to.

Items 611a, 611b, 617, 622, 623, 228, 230, 252, 326(ii), 326e, 362 and 366 agreed to.

Customs tariff—366a. Watch actions and movements, finished or unfinished.

Mr. ADAMSON: I understand that the majority of watches, even the cheapest ones, can be manufactured or imported and sold in Canada at competitive prices, with Swiss movements; and since Switzerland is essentially the most prescribed country, what is the situation with regard to watches, and are we, by this schedule and this tariff item, likely to run into a shortage of watches?

Mr. ABBOTT: Well, it is difficult to say. There should not be a shortage of watches. Here again the quota is a category quota, and importers of watches may well switch from some of these other miscellaneous items to watches, if there is a greater turnover than in such things as trawls, trawling spoons, fly hooks, sinkers and so on.

Mr. ADAMSON: A jeweler would not carry fish hooks, or at least I would hope not.

[Mr. Abbott.]

Mr. ABBOTT: Of course watches are a fairly durable product, if you are careful. I have one here that is a good deal older than I am, and we shall just have to try to keep the old ones going for a year or two, I think.

Mr. ADAMSON: The minister is more careful than I am. What would be the percentage of watches imported as compared with watches manufactured in Canada? That is really the figure I was trying to get from the minister.

Mr. ABBOTT: I have not those figures available. I am told that comparatively few watches are wholly made in Canada.

Mr. JACKMAN: They are assembled here.

Mr. ABBOTT: Yes, they are assembled here and some very expensive watches are made here, but I believe the majority are imported.

Mr. JACKMAN: In reading this bill, where would one find whether Switzerland was a scheduled or non-scheduled country?

Mr. ABBOTT: One would not. That will be determined by regulation. Under the order in council which is now in effect the scheduled countries are designated, and that will be done in the regulation which will be prepared before this act is proclaimed.

Mr. JACKMAN: There is no hint in the bill as to any section which will set out scheduled or non-scheduled countries.

Mr. ABBOTT: It will be done under section 5.

Mr. JACKMAN: And a country can be removed from the scheduled to the non-scheduled bracket?

Mr. ABBOTT: By regulation, yes.

Mr. JACKMAN: And I presume that, since Swiss currency is at a premium over American, that is a scheduled country.

Mr. ABBOTT: It is at present under the order in council which is now in effect, and it will continue to be so under the regulations adopted under this act.

Item agreed to.

Items 367 and 368 agreed to.

Customs tariff—429. Cutlery of iron or steel, plated or not:

(a) Knife blades or blanks, and table forks of iron or steel, in the rough, not handled, ground nor otherwise manufactured; spoon blanks of iron or steel, not further manufactured than stamped to shape; blanks, of iron or steel, for scissors and shears, in the rough, not ground nor otherwise manufactured; (b) table knives and table forks; (c) penknives, jack-knives and

pocket knives of all kinds; (d) knives, n.o.p.; (e) spoons; (f) scissors and shears, n.o.p.; (g) razor blades; razors and complete parts thereof.

Mr. HARKNESS: I have a personal question with respect to paragraph (g) which deals with razor blades. I use a Gillette razor, and the only type of blade that is satisfactory is what is known as the Gillette thin blade, which is not made in Canada. It is made only in the United States. Is there a quota on that item?

Mr. ST. LAURENT: It it now made in Canada. I had the same query, and I got some made in Canada which are just as good as those I had before.

Mr. ABBOTT: There is a quota of 42 per cent on them, for men who have tough beards, like my hon. friend.

Mr. ADAMSON: Does the Secretary of State for External Affairs say that the golden blade, the thin Gillette blade, is now made in Canada.

Mr. ST. LAURENT: Yes.

Mr. ADAMSON: I could not buy any the other day.

Mr. ST. LAURENT: It will give me the greatest of pleasure to send my hon. friend a package. He will then find where they are made.

Mr. HARKNESS: I was going to ask the minister where he could buy them, because I have not been able to get them.

Mr. ABBOTT: The hon. member for York West will divvy up with you.

Item agreed to.

Customs tariff—440j. Trawls, trawling spoons, fly hooks, sinkers, swivels, sportsmen's fishing reels, bait, hooks, and fishing tackle, n.o.p.

Mr. HAZEN: What percentage of 1947 imports are allowed under this item?

Mr. ABBOTT: Under this category it is 42 per cent.

Mr. HAZEN: Are fly hooks made in Canada; if so, where?

Mr. ABBOTT: I am told they are, yes; but I have not the figures.

Item agreed to.

Customs tariff—441. Guns, rifles, including air guns and air rifles not being toys; muskets, cannons, pistols, revolvers, or other firearms, n.o.p.; cartridge cases, cartridges, primers, percussion caps, wads or other ammunition, n.o.p.; bayonets, swords, fencing foils and masks; gun or pistol covers or cases, game bags, loading tools and cartridge belts of any material.

Mr. HARKNESS: How many cannons have we imported into Canada in the last year?

Mr. ABBOTT: I have not the importation figure.

Mr. HARKNESS: Where do they come from?

Mr. ABBOTT: I have not the figures, but I think the quantities have been very much limited.

Item agreed to.

Items 441e and 450 agreed to.

Customs tariff—511. Walking sticks and walking canes, of all kinds; golf clubs and finished parts thereof; skis; racquets and racquet frames and baseball bats; balls of all kinds for use in sports, games or athletics, n.o.p.

Mr. HARKNESS: This item refers to "balls of all kinds, for use in sports, games or athletics", and perhaps this would be the proper time to refer again to the matter discussed some time ago at some length by the hon. member for Calgary West, when the bill was in an earlier stage, and where he referred particularly to the Alberta Billiard Supply Company. At that time, after the matter had been discussed at some length, I asked the minister if consideration would be given to assigning a quota to this company, the only Canadian company actively engaged in the billiard supply and bowling ball business. The question at issue was that of a quota on bowling balls for them.

A large American company, Brunswick-Balke-Collender Company is permitted to import these bowling balls; but because this company is a new business, it was not to get a quota. Has the minister given consideration to the matter, and could he say anything about assigning a quota to the company which, I repeat, is the only Canadian company in the business? It is a small concern and is in danger of being pushed out of business by this large United States company, due to the fact that the small Canadian concern cannot get a quota.

Mr. ABBOTT: I have given consideration to it. This concern went into business only after July 1. It was in business for only a month or two before this regulation came in. As such, of course, it is not eligible for quota. The only people who are eligible are those who were importing during the base period ended June 30, 1947.

As I pointed out the other night, there is a special exception for returned soldiers, but unfortunately this company is only half owned by a veteran, the other half, I am told, being

owned by his brother-in-law, who is not a veteran. While I have every sympathy in the circumstances, after careful consideration it was felt that exception could not be made in this case.

Mr. HARKNESS: When this discussion was up before, I asked the minister if consideration would be given to this company as a new company, because it was only half veteran-owned. When this legislation was introduced a question was asked and the minister assured the house at that time that consideration would be given to new businesses. New businesses, in spite of the fact that they had not been importing goods in the period immediately prior to the imposition of the regulations, would be given a quota. The same would apply, of course, to veterans who had established new businesses.

It is quite true, as the minister has just said, that this business is only half veteran-owned, the other half being owned by his brother-in-law. But if this veteran is to be cut off, because the business is not entirely veteran-owned, I think he should at least be given consideration on the ground that it is a new business. It should certainly be given consideration on that ground because, as I say, it is the only Canadian company in this business. These people are trying to build up an industry in Canada. The effect of this quota as it is working at the present time, so far as I can see, will be to put these people out of business and to give the entire business to a large United States concern operating a subsidiary in this country.

Surely this legislation should be flexible enough to look after the needs of a small company at that time. Surely it is not to be ground down so rigidly that a small Canadian company just getting into operation when these regulations came into force will be forced out of business, in favour of a large United States concern, just because the regulation happens to read, "must have been in business before this date" or "must have had a quota", or something else.

I would ask the minister to give the matter serious consideration, on the basis, as I say, of a new business, rather than from the point of view of the red tape of regulations which have been laid down governing this matter.

Mr. ABBOTT: We discussed this matter thoroughly the other night. This is a new business, it is true. Provision is not made and cannot be made in these regulations for giving everyone who is in a new business after June 30 a quota. The system would be impossible to work. You must establish a date-line, and the date-line for those who were entitled to a quota applies to those who were in business prior to June 30, 1947. There has been one exception, and that is, we have reserved a special place for veterans.

We have got along in this country for seventy-five or eighty years without this importing firm bringing in bowling balls from the United States. They only want to do business as importers. They are not making bowling balls and, sympathetic as I am for their position, it is comparable with that of a great many others in new businesses across the country who got into business as importers after July 1, 1947.

Unfortunately, under the existing circumstances, they have to find a source of imports other than from the United States. As I say, we went into this case thoroughly. It was discussed the other night. I have examined it again since that time and I can only say, with reluctance but with firmness, that it is not possible to give this firm a quota under these regulations.

Mr. HARKNESS: I submit with respect, that the minister does not yet understand this case.

Mr. ABBOTT: Well, if I do not I have had the greatest opportunity to learn it, from stem to gudgeon.

Mr. HARKNESS: I know the minister has had a lot of correspondence on it. Nevertheless I think he does not yet understand. He seems to think that this is purely an importing business, that it is only importing billiard and bowling balls. That is not so. It is essentially a manufacturing firm. It is manufacturing billiard tables, billiard cues and billiard racks. It is manufacturing bowling alleys. As a necessary part of its billiard and bowling alley manufacturing business it must have bowling balls and billiard balls to supply its customers. The minister seems to think all that is concerned here is a little company which has started up to import balls from the United States or from whereever it can get them, and this only within recent times. But that is not the case. This is a manufacturing company which actually has about thirty-five people working for it, chiefly artificers, cabinet makers and people of that sort. It is a frightful thing to deny these people their source of supply.

Mr. ABBOTT: I told the hon. member for Calgary East the other night that hard cases make bad law. When you try to make exceptions to a thing like this you get into trouble. I have been criticized here for having this legislation drawn in such a way as to

allow a reasonable degree of flexibility to be exercised in appropriate cases, but unfortunately this is not one of them.

Mr. ADAMSON: I have a case in mind of a company owned by three brothers who are veterans and another brother who is not. This case is still before the minister or the department. What is the criterion or standard that is applied in the case of the ownership of a firm by a veteran? What percentage must be owned by a veteran before it is considered to be a hard case?

Mr. ABBOTT: It is not a hard case; it is a veteran's case. The rule one has to take is that it shall be wholly owned by veterans or wholly owned, with the exception of the necessary directors' qualifying shares in the case of an incorporated company. It a veteran owns a company as an individual, or if two or three veterans own a company, well and good. If it is a limited company and one or more veterans hold all the shares of the company, with the exception of the directors' qualifying shares, then that company will be eligible as a veterans' company and entitled to a special quota.

Mr. ADAMSON: In this case three of the brothers are veterans and one is not.

Mr. ABBOTT: If they wish to get the quota I think in that case the fourth brother had better withdraw for the time being and let the other three brothers own the company.

Mr. CHARLTON: I notice that this item covers walking sticks, golf clubs, but what about bows and arrows?

Mr. ABBOTT: They are not included in this tariff item. I do not know where they are covered.

Mr. CHARLTON: Are they to be allowed in?

Mr. ABBOTT: They may be. This is item 511 in the quota schedule and bows and arrows are not included.

Mr. CHARLTON: Are they included in schedule II?

Mr. ABBOTT: I shall have to check and see. If my hon. friend is especially interested I shall give an answer a little later on.

An hon. MEMBER: Refer it to the Indian committee.

Mr. ABBOTT: I shall have the schedule checked and give my hon. friend an answer.

Item agreed to.

Items 511b and 518 agreed to.

Customs tariff—624a.

(i) Dolls; toys of all kinds, n.o.p.

(ii) Mechanical toys of metal.

(iii) Juvenile construction sets of metal or rubber, consisting of various stampings, punched or moulded, and connections therefor; parts of the foregoing.

Mr. FLEMING: The first part of this item covers "dolls, toys of all kinds; n.o.p." The minister has been using the expression "scheduled" and "non-scheduled countries" and, in so doing, he is using the language of P.C. 4678, because there is no such expression in this bill.

Mr. ABBOTT: That was done simply for purposes of explanation.

Mr. FLEMING: I am not quarreling with that; that was just by way of preface to what I am about to say. Under P.C. 4678 the non-scheduled countries are all countries other than scheduled countries. Is the governing period with respect to toys of all kinds the pre-war period or the past twelve months? I am thinking particularly of Germany and Japan, which were former sources of supply for toys. I am interested in knowing what the position in the next year or two will be with respect to the importation of toys from these former enemy countries.

Mr. ABBOTT: I do not know that I can say what the prospects are. Importations during the base period were mainly from scheduled countries, the big item being toys, n.o.p.

Mr. FLEMING: What is the base period?

Mr. ABBOTT: The twelve months ended June 30, 1947.

Mr. FLEMING: Then I do not suppose there would be any from Japan?

Mr. ABBOTT: Yes, there were substantial imports from non-scheduled countries. The importation of toys, n.o.p. from non-scheduled countries amounted to $497,000, while the total was $2,273,000 from scheduled countries. That made a total of almost $3,000,000 of toys, n.o.p. Then there were other subsidiary items of dolls, mechanical toys and juvenile construction sets. In the case of mechanical toys the importations during the base period from non-scheduled countries amounted to $357,000, and only $331,000 from scheduled countries. The pre-war pattern was somewhat different, although there again the preponderance of imports was from the scheduled countries rather than from non-scheduled countries.

Mr. FLEMING: I suppose that in the base period the principal source of supply in the case of non-scheduled countries was the United Kingdom, but I am thinking particularly of Germany and Japan.

Mr. ABBOTT: During the calendar year it was the major source of supply. There were importations of $460,000 from the United Kingdom with a comparatively small amount from the other countries, principally from France.

Mr. FLEMING: Was there any from Germany and Japan?

Mr. ABBOTT: Yes, about $6,500.

Item agreed to.

Customs tariff—634. Feathers and manufactures of feathers, n.o.p.; artificial feathers, fruits, grains, leaves and flowers suitable for ornamenting hats.

Mr. JACKMAN: These are the specialty items, and undoubtedly in the pre-war the main supply was the old country. The minister has said that the quota is 42 per cent of the base period, which is the twelve months ending June 30, 1947, or 200 per cent of pre-war imports. I presume the philosophy of the department is to take as much as we can in the way of imports from the United Kingdom?

Mr. ABBOTT: That is correct; from the soft currency countries.

Mr. JACKMAN: Why is the figure fixed as low as 42 per cent of last year, or 200 per cent of the pre-war period? I am looking at items such as cutlery, guns and tobacco pipes. Tobacco pipes are more than twice as expensive as they used to be. Will the minister explain why this low figure has been used?

Mr. ABBOTT: As I have said before, there is really no effective operation of the quota with respect to non-scheduled countries. Forty-two per cent operates as a restriction on the scheduled countries but, so far as the non-scheduled countries are concerned, there is really no practical restrictive effect.

Mr. JACKMAN: I understood that this was so in the case of textiles.

Mr. ABBOTT: It is true in the case of these items as well.

Mr. JACKMAN: Does the minister feel, from his study of the tobacco pipe item, that we shall not be able to import 42 per cent in dollar value of the base period, or 200 per cent of the pre-war pattern?

Mr. ABBOTT: I am told that, under the quota as set here, the United Kingdom can increase its exports to Canada by 50 per cent and still be below 200 per cent of pre-war.

Mr. JACKMAN: May I ask a general question? I notice that a criticism was made

[Mr. Fleming.]

of the labour government in Great Britain that, whereas a large proportion of British imports had come from hard currency countries, a relatively small proportion of the exports from the United Kingdom had gone to hard currency countries. Is it not possible that those exports can be shipped to hard currency countries in larger proportion, so that we can expect to get more in than some of these quotas allow for? How do we know we can get only such a small amount of pipes sent in as the minister said?

Mr. ABBOTT: It is not within my province, of course, but I understand that the United Kingdom government are endeavouring to direct exports to hard currency countries as far as possible.

Mr. JACKMAN: What I want to know is the basis of the department's estimates. The department says that we cannot get more than 50 per cent increase in pipes over last year. Have there been discussions with the British board of trade in the United Kingdom, or is that a figure pulled out of the air? What is the basis for it?

Mr. ABBOTT: There have been general discussions with the British trade officials here. The figure of 50 per cent was not pulled out of the air. As you say, the British could increase by 50 per cent before they would get up to their quota limit.

Mr. JACKMAN: Have there been discussions with the British officials?

Mr. ABBOTT: Yes, with the British high commissioner and the British trade commissioner.

Item agreed to.

Customs tariff—17. Cheese.

Mr. MACDONNELL (Muskoka-Ontario): I want to ask a general question on this item. We do not produce a good many of the articles in this category 5. Are the quotas so arranged that these goods will come in freely from non-scheduled countries?

Mr. ABBOTT: That was the primary purpose of adding category 5, which, as the committee will appreciate, was not included in the original order in council imposing the quota restrictions. Category 5 was arrived at for the purpose of facilitating export to Canada of certain prepared foods which come mainly from soft currency countries, including the United Kingdom and Australia.

Mr. MACDONNELL (Muskoka-Ontario): I see items for cocoa paste and preparations of cocoa. Do the items cover all species of cocoa?

Mr. ABBOTT: They do not include cocoa beans.

Mr. MACDONNELL (Muskoka-Ontario): Why not? What is the situation in regard to that?

Mr. ABBOTT: There is no quota.

Mr. ADAMSON: Surely none of these products come from scheduled countries.

Mr. ABBOTT: Most of them.

Mr. ADAMSON: The cocoa bean comes from the Gold coast.

Mr. ABBOTT: There is no restriction on cocoa beans. Cocoa paste, chocolate paste, and so forth, are prepared foods.

Item agreed to.

Customs tariff—20a. Butter produced from the cocoa bean.

Mr. CRUICKSHANK: Could margarine slip in under this item?

Mr. ABBOTT: I am informed that it cannot.

Mr. CRUICKSHANK: That is definite?

Mr. ABBOTT: Yes.

Item agreed to.

Customs tariff—26. Coffee, roasted or ground, and all imitations thereof and substitutes therefor, including acorn nuts, n.o.p.

Mr. ADAMSON: This is the coffee item I asked the minister about the night before last. All coffee is, I understand, imported and sold through the coffee exchange.

Mr. ABBOTT: It may be bought through the exchange, but the great majority of this coffee is, I am informed, shipped direct from the country of origin.

Mr. MACDONNELL (Muskoka-Ontario): There is no quota on it?

Mr. ABBOTT: No.

Item agreed to.

Customs tariff—90a. Vegetables, dried, desiccated, or dehydrated, including vegetable flour, n.o.p.

Mr. HATFIELD: What does vegetable flour consist of? From what vegetable is it made?

Mr. ABBOTT: The soya bean largely.

Item agreed to.

Customs tariff—90c. Vegetable juices, liquid mustards, soy and vegetable sauces of all kinds.

Mr. LENNARD: When vegetable oils were under quota and rather scarce, manufacturers of mayonnaise and oil dressings in Canada were unable to secure the oil to manufacture these dressings and they had to resort to non-oil dressings as a substitute. About a year ago, with the restrictions still on, manufacturers of many United States well-known brands of oil mayonnaise and dressings were able to ship quantities of their finished product under brand names into Canada and flood our markets at a time when our Canadian manufacturers could not manufacture these lines. Are they restricted under this item or under any other item?

Mr. ABBOTT: I do not think so. This does not relate to vegetable oils but to vegetable juices, like celery juice.

Mr. ADAMSON: But not citrus fruit juice?

Mr. ABBOTT: No. That is under schedule II, category 1.

Mr. ADAMSON: Citrus fruits include such things as oranges, lemons and grapefruit juice?

Mr. ABBOTT: And lime juice.

Mr. ADAMSON: I thought there was a special category for limes a little further down.

Mr. ABBOTT: Lime juice, syrups and fruit juices come in under item 152, which we have passed.

Mr. ADAMSON: They are treated the same as vegetable juices?

Mr. ABBOTT: They are under category 1 and under quota.

Mr. ADAMSON: Orange juice gets more favourable consideration?

Mr. ABBOTT: No; the same percentage 50 per cent. It includes orange juice, lime juice, grapefruit juice, blended orange and grapefruit juice.

Mr. ADAMSON: The other vegetable juices are on a quota of 28 per cent?

Mr. ABBOTT: That is right.

Mr. ADAMSON: With regard to items 103 to 141, these are luxury items such as preserved ginger, crystallized fruits and peels, glacé fruits. What are the percentages for these luxury items?

Mr. ABBOTT: Everything in this category is 28 per cent. These articles come mainly from the United Kingdom, Australia and

France, all soft currency countries. Candied fruits come from France. Jellies, jams, marmalade and preserves come from the United Kingdom. The quota is 28 per cent, the same ratio 200 per cent of pre-war.

Mr. ADAMSON: We are trying to encourage this trade.

Mr. ABBOTT: Yes, this whole category was set up primarily for the purpose of stimulating trade with soft currency countries.

Mr. HATFIELD: Are molasses allowed in from the British West Indies?

Mr. ABBOTT: There are no restrictions on that.

Mr. PEARKES: I have been asked by one of the women's institutes whether there are sufficient safeguards for carrot juice which, I understand, is used as infants' food. Would that come in under this?

Mr. ABBOTT: It could be imported under this, but carrot juice is largely produced in Canada. We have a substantial production, but in addition it could come in under quota.

Item agreed to.

Items 103, 104, and 105c agreed to.

Customs tariff—105d. Jellies, jams, marmalades, preserves, fruit butters and condensed mince meats.

Mr. CRUICKSHANK: I am of a suspicious nature. Fruit butters would not contain margarine?

Mr. ABBOTT: No.

Item agreed to.

Items 105e, 106, 107, 140, 141 agreed to.

The CHAIRMAN: Shall schedule II carry?

Mr. THATCHER: Before this schedule carries, I wish to ask the minister whether he has considered putting in this schedule an item which appears in schedule III, namely, American films. I should like to know whether he has considered such a step as a means of saving United States dollars? When he answers that question will he also say how much we have spent on such films?

Mr. ABBOTT: Films are under schedule III, and I am waiting impatiently to allow the Minister of Trade and Commerce to take on.

Mr. THATCHER: I am wondering why they cannot be put into schedule II. In schedule II there is a quota, but in schedule III there is not.

[Mr. Abbott.]

Mr. ABBOTT: That is correct. After due consideration it was felt that for the time being it was better to put films under schedule III, under special permit.

Mr. ADAMSON: During the currency crisis in the United Kingdom some years ago, a regulation was made whereby the United Kingdom allowed certain imports under the stipulation that the exporter would accept payments in pounds. Has that possibility been considered by the government, whereby a man importing would accept payment in Canadian dollars?

Mr. ABBOTT: That sort of thing has been considered, but we are staying away from blocked accounts and a multiple currency system. That is the chief objection in resisting an arrangement of that sort.

Schedule II agreed to.

Mr. ABBOTT: Before we go on to schedule III, perhaps I had better move:

That schedule III of Bill 3 be deleted and that there be substituted therefor schedule III as it appears in the reprint of the bill now before the committee.

Amendment agreed to.

Schedule III

In this schedule where a tariff item of schedule "A" to the customs tariff is listed without being preceded by the word "ex" all goods included in that tariff item shall be deemed to be included in this schedule and where a tariff item is listed and preceded by the word "ex" only the goods described thereafter are deemed to be included in this schedule, and words and expressions in this schedule have the same meaning as in the schedules to the customs tariff

Customs tariff—ex 238a. Cinematograph or moving picture film negatives one and one-eighth of an inch in width or over.

Mr. JACKMAN: How much went out during the last period in payment for motion picture films?

Mr. HOWE: The figure is between $10,000,000 and $11,000,000; that is to say, royalties that went out last year.

Mr. JACKMAN: On the use of United States films?

Mr. HOWE: Yes.

Mr. JACKMAN: And I suppose certain royalties went out on the lease of British and French films.

Mr. HOWE: Yes. I am sorry I have not the figures because my officers are not here, but it is about $10,000,000 in respect of United States films and a million or so dollars on others.

Mr. JACKMAN: Why are films included in schedule III and not in either of the previous schedules? The first two schedules have to do with consumer goods, whereas the items under schedule III are producer goods, and yet we find cinematograph or moving picture films under schedule III. Once the film is shown, surely its usefulness is gone. It is not like a structure. What is the reason for this classification?

Mr. HOWE: It was thought that simply to ration United States films would not be a satisfactory solution. After all, there are other ways of meeting the situation which perhaps would be more profitable in Canada. At the moment extensive negotiations are going on between the government of Canada and the entire moving picture industry of Hollywood, and I hope that within the next two or three weeks I shall be able to report a favourable transaction whereby we shall obtain a substantial return in publicity for Canada and possibly some more concrete returns as well. It is difficult to discuss a transaction that is being negotiated, but I assure the committee that the government is not overlooking the possibility of a quid pro quo for the right of the industry to take that money out of the country.

Mr. JACKMAN: The sum of ten or eleven million dollars was a substantial outgo, and one in excess of the total amount we spent for cabbages, carrots, lettuce and beets from the United States. There may be a reason for it.

Mr. ABBOTT: It is not in excess of all fresh vegetables.

Mr. JACKMAN: I am sure that a great many people in Canada would rather spend a part of their valuable United States funds on fresh vegetables, which are more beneficial. I should like the minister to say whether the amount which was spent last year in royalties to United States film producers is likely to be exceeded. Is there a limit to it? Having regard to the constructive nature of the deal he is making, I would suggest that he had better hurry, because the Ontario government had a radio program on one Saturday afternoon, or one in which they participated and a considerable account of it was given. There was fire in the studio. I hope the minister will tell the committee just what is there. I do not want to spoil his deal; but it seems to me that, so much publicity having been given to it already, it would be well that he should tell us something about it. I should dislike to see the government of our friend, the Hon. George Drew, get all the credit for it and see the right hon. gentleman's government left out. I suggest that he hasten and make his announcement as he did in regard to the 4,000 houses for rental in Toronto.

Mr. HOWE: My friend the comedian. Very funny.

Mr. JACKMAN: Not nearly as funny as you.

Mr. THATCHER: Is the government considering putting these films under quota at all?

Mr. HOWE: That is not the line we are pursuing at the moment. We believe that the moving picture industry can do a job for Canada in return for the privilege of showing films here and taking out royalties. As regards the transaction, I may say that we are pleased with the progress we are making, but we are in the middle of negotiations and are not able to explain it at the moment. Of course we all like to make sacrifices that impose hardships upon others.

Personally I do not go to the movies very often. In fact I have not been inside a movie house in two years, and I assume from what my hon. friend said, although I should not like to misquote him, that he does not go often either. But a great many people in this country like to go to movies; therefore, if we can get a quid pro quo in some other way than by cutting down movie films, it seems the logical thing to do.

Mr. JACKMAN: I should think the only quid pro quo that would interest us under this present bill would be a quid pro quo in United States dollars. Are we to get in United States dollars on the other end of the transaction, or are we still to be faced with a net outgo of $10,000,000 or $11,000,000 of United States exchange we would otherwise have? Is that fair?

Mr. HOWE: I shall be glad to announce the transaction when we have it completed.

Mr. MACDONNELL (Muskoka-Ontario): I want to return to the discussion of two or three days ago when we were discussing the clauses of the bill and when we asked the minister for certain information as to how he intends to work the permit system. Since then, I am glad to say he has given us his regulations with regard to the automobile industry, which I have read and which I hope he will allow me to say sound sensible. But I wish to raise the broader question. We have an idea in connection with the quotas. I suppose there was a certain amount in mind. Those who framed the quotas knew exactly how much United States funds would be used

to satisfy the quotas, or approximately so. I should like to ask whether, under schedule III, there is any amount to which the minister is working, or whether he is just going to use his discretion as to what looks like a good transaction or otherwise. In other words, is there any ceiling on the amount of United States exchange he intends to use? Perhaps the minister might answer that, and then I have another question.

Mr. HOWE: It is difficult to set a definite amount of United States exchange that may be used for capital goods. It depends wholly on the level of activity. For example, if for any reason there is a slump in building, the quota of United States exchange would be a great deal less than it would be if we had an active building year. I do not think we could predict that with any great certainty for the entire year. I will give an example. The preliminary estimate of the saving in the automobile industry was $35,000,000.

Mr. MACDONNELL (Muskoka-Ontario): Will the minister permit me one question?

Mr. HOWE: Yes.

Mr. MACDONNELL (Muskoka-Ontario): That would be a good illustration if the minister would just tell us how he arrives at that figure.

Mr. HOWE: That was an estimate of the experts who made the original plans; the interdepartmental committee that set up certain objectives. Perhaps the Minister of Finance has told you the objectives for schedules I and II.

Mr. MACDONNELL (Muskoka-Ontario): Yes.

Mr. HOWE: The objective for schedule III was a much more indefinite item, but the quota for automobiles was $35,000,000. The schedule which my hon. friend has in his hand is estimated by the analysts to represent a saving of $75,000,000 a year, which is much more than the original quota. We study an industry; we see what the possibilities are; we see what the needs and apparent necessities of the country are; and if the country goes a bit short, that is not a cause for worry. We are endeavouring to get the maximum saving we can secure, which is, I think, the fairest way to explain our method of approach.

Mr. MACDONNELL (Muskoka-Ontario): That would be admirable if it were not for the fact that we are thrown into this whole difficulty because we are short of United States dollars. But it seems to me that what the minister says, however reasonable it sounds, leaves my question still unanswered.

[Mr. Macdonnell (Muskoka-Ontario.]

Surely there must be some figure to which the minister is working. Let us take his regulations in the motorcar industry. He attributes $7,500,000 to imports from non-scheduled countries. I think that is right.

Mr. HOWE: That does not represent United States dollars.

Mr. MACDONNELL (Muskoka-Ontario): No; that is right. Then he has regulations. Perhaps I might read them. It will not take a minute, and it will show how they are made up. A manufacturer is allowed to bring in an amount figured as follows:

(i) an amount of $230 (being approximately 75 per cent of the average foreign currency content of vehicles produced in Canada) multiplied by the number of vehicles produced by him in Canada during the basic period for domestic use.

Mr. HOWE: That $230 is seventy-five per cent.

Mr. MACDONNELL (Muskoka-Ontario): I thought I said that, or read that. Then the manufacturer is allowed to bring in:

(ii) an amount of $307 (being 100 per cent of the average foreign currency content of vehicles produced in Canada (multiplied by the number of vehicles produced by him in Canada during the basic period for export.

In other words, he gets three-quarters for his domestic manufacture, three-quarters of the foreign content cost, and 100 per cent for those for export. I think I understand the reason. He gets:

(iii) Seventy-five per cent of the cost of service and repair parts and accessories imported by him during the basic period as reported by him; and

(iv) Fifty-five per cent of the amount by which his exports during 1948 exceed 90 per cent of his exports of similar products during the basic period.

I wish the minister would explain that fourth one which I do not fully understand. In the second place, and much more important, I wish the minister would say whether there is any amount to which he is working in the motorcar industry—and then we can go on to others—or whether he is merely exercising a discretion as to what amount of money he thinks can wisely be spent. As I say, if there were no question of United States exchange, that might be one thing. But we are short of United States exchange. I want to know whether there is any figure which the minister is expected to abide by, or if he has any ceiling he is working to. Will he answer that now?

Mr. HOWE: The motorcar industry is a perfect example. The estimates of savings were placed at a figure of $35,000,000 on the automobile industry.

Mr. MACDONNELL (Muskoka-Ontario): How is that arrived at?

Mr. HOWE: The actual schedule which my hon. friend has in his hand shows, as he has just told us, how it is arrived at. It represents a saving of about $75,000,000.

Mr. MACDONNELL (Muskoka-Ontario): As the nigger says, "Them two things don't paralyze."

Mr. HOWE: How is that?

Mr. MACDONNELL (Muskoka-Ontario): The minister said he is getting an actual saving of $75,000,000.

Mr. HOWE: Yes.

Mr. MACDONNELL (Muskoka-Ontario): When he started out he was to get a saving of $35,000,000.

Mr. HOWE: No, I did not say that.

Mr. MACDONNELL (Muskoka-Ontario): Then tell me what you did say. It sounded like that to me.

Mr. HOWE: I said it was a preliminary estimate. My hon. friend wants to know the objective.

Mr. MACDONNELL (Muskoka-Ontario): Yes.

Mr. HOWE: All right. We made up a preliminary estimate which we said would be our objective.

Mr. MACDONNELL (Muskoka-Ontario): All right. I said this was what you started out with.

Mr. HOWE: I just estimated $35,000,000. Is that clear?

Mr. MACDONNELL (Muskoka-Ontario): I think so.

Mr. HOWE: That is a preliminary estimate. You are sure that is clear now?

Mr. MACDONNELL (Muskoka-Ontario): Yes, I think so.

Mr. HOWE: I have told you that four times already. I just wanted to be sure you understood it.

Mr. MACDONNELL (Muskoka-Ontario): I understand that.

Mr. HOWE: When we worked out our formula, that was different; that was the actual working out of the formula. When we got the formula and got it according to the industry and got it in force, we then made an estimate of the savings that would result from the formula and so arrived at $75,000,000.

Mr. MACDONNELL (Muskoka-Ontario): I would have thought it was a poor job.

Mr. HOWE: I am glad you understand it.

Mr. MACDONNELL (Muskoka-Ontario): You corrected me, but I was saying exactly what you had said. However, let us not argue about that. The fact is that you are over 100 per cent wrong, so that does not seem so good. You still have not answered my question—which I think you will answer before we are through—and it is this. I still have not any answer as to how you got this figure of $35,000,000, which you started out with and which you multiplied by more than two.

Mr. HOWE: That figure is now obsolete. Let us forget about it.

Mr. MACDONNELL (Muskoka-Ontario): Oh, no. As I told the minister the other day, I know he regards these questions as a waste of his time.

Mr. HOWE: Only some phases of them.

Mr. MACDONNELL (Muskoka-Ontario): We are entitled to have them answered, and I think we shall have those answers in the end, with patience. What I want to know now is how you arrived at the figure of $35,000,000. Did you just pick it out of the air? Was it just a bright thought you had one day, and then did you later have another bright thought and find it should be $75,000,000?

Mr. HOWE: That was the preliminary view.

Mr. MACDONNELL (Muskoka-Ontario): You have told me that three times.

Mr. HOWE: Sit right down, please, until I am through; then perhaps we shall understand each other. Don't get excited. The evening is young yet, you know. Perhaps if you sit there you will get the answer much quicker.

Mr. KNOWLES: Before this gets too serious, Mr. Chairman, I suggest that hon. members on both sides address the Chair.

Mr. HOWE: Well, Mr. Chairman, I am trying to explain a very simple matter to a very difficult subject over there. To get back to the question, we undertook to close a gap of something like a billion dollars per annum. We thought we could close a certain part of the gap by cutting down imports; in other words, through restrictions. We thought we could close the rest of it over a period of time by stimulating and diverting exports. We set a certain figure for the saving in imports. My hon. friend is going to ask me what that

figure was. I do not remember, so he need not ask me. It is not very important, anyway. That was the objective, and it was made up of a great number of items. Then we endeavoured to get at least the saving that was estimated, and naturally we tried to do even a bit better. As we got down to individual items and came to discuss them with the manufacturers, we have been able to do at least as well as we anticipated so far, and in some cases very much better. If we can do better we are not bound by the first idea we had, as my hon. friend thinks we should be. He thinks it is a very bad job if you are not bound by something you thought you could do a few months ago, but we take that chance and just do the best we can.

Mr. MACDONNELL (Muskoka-Ontario): For the first time I think the minister is beginning to make a start at answering my question.

Mr. HOWE: You understand that, do you?

Mr. MACDONNELL (Muskoka-Ontario): Oh, yes, I do; and if we stay at it long enough I think we may both understand.

Mr. ABBOTT: The minister was stating the obvious.

Mr. MACDONNELL (Muskoka-Ontario): The Minister of Trade and Commerce can look after himself, so just leave it to him. Well, with considerable difficulty we have reached the point where the minister admits there was an objective, and he has told us they were able to do 100 per cent better than the objective they had in connection with the motorcar industry, so it would seem to me that it was a very poor objective to begin with, but we shall let that pass. However, we still do not have the slightest idea of how that objective was arrived at. You just told us you thought it would be a good idea to try to save $35,000,000. Would you tell us what the imports were last year; and do not tell me they are on record somewhere, because I would like them now.

Mr. ABBOTT: That question has been answered two or three times.

Mr. HOWE: The three companies that manufacture in Canada imported about $71,000,000 in parts.

Mr. ADAMSON: That is, complete cars and parts?

Mr. HOWE: No, just parts. Just calm down, now; your specialty is gold, you know. Is that clear; does that answer the question?

[Mr. Howe.]

Now I suppose you want the value of the imported cars; is that right? Is that of interest, too?

Mr. MACDONNELL (Muskoka-Ontario): I want to know just how you arrived at this $35,000,000 you were going to save. I assume there was some kind of plan in this; I am giving you that much credit.

Mr. HOWE: We were just saying—

The ACTING CHAIRMAN (Mr. Bradette): I would ask hon. members to maintain the decorum of the chamber and address the Chair, even in asking questions.

Mr. MACDONNELL (Muskoka-Ontario): I beg your pardon, Mr. Chairman; I thought I was doing so.

Mr. HOWE: I was advised by my legal friend sitting beside me that I was being cross-examined by probably the least expert cross-examiner who ever sat in the house, but I told him the excuse was that you were not a cross-examiner but a banker. However, we shall get on. Imports of finished cars, in addition to the $71,000,000, were about $41,000,000; that is, imports from hard currency countries.

Mr. MACDONNELL (Muskoka-Ontario): I understand from the minister, if my addition is good—and if it is not he will correct me—that the total was about $112,000,000?

Mr. HOWE: Yes, about that.

Mr. MACDONNELL (Muskoka-Ontario): Then you set out to cut it down by $35,000,000?

Mr. HOWE: Yes.

Mr. MACDONNELL (Muskoka-Ontario): And I understand it was cut down by $75,000,000?

Mr. HOWE: I have not mentioned the exports there.

Mr. MACDONNELL (Muskoka-Ontario): I am quite ready to let the minister take his time in telling the story, but we want to have it.

Mr. HOWE: Of course there are also the earnings from exports to which I have just referred. I put all this on *Hansard* somewhere, but it is a little difficult to gather it together from memory. I thought I could pick a few figures from the air which were not bad, but to take the exports and add in the earnings is a little difficult. I shall be glad to get the analysis, however, and show where the saving of $75,000,000 arises.

Mr. MACDONNELL (Muskoka-Ontario): I would remind the minister that this is at least the third time he has said he has not the figures here. The point is that the minister does not take the trouble to come here prepared to answer our legitimate questions, so we will just stay here and keep asking questions, though he will be annoyed and perhaps we shall be annoyed too.

Mr. PROBE: Yesterday the hon. member for Maple Creek coined, I think inadvertently, the word "mathemagician". As I listened to the Minister of Trade and Commerce and the hon. member for Muskoka-Ontario discussing this item, which deals with moving picture film negatives, and then get involved in statistics concerning automobiles—

Mr. HOWE: I was just going to ask what item we were on.

Mr. PROBE: —I believe they are both "mathemagicians." I should like to ask a simple question on the item, and I would appreciate a simple answer, if the minister can give it to me. This item, which involves the import of films from scheduled countries amounting to some ten or twelve million dollars, according to the minister, I presume takes into consideration the fact that there are imports from non-scheduled countries. Is this item in schedule III to make it possible to secure an adequate influx of British films to Canada, which I presume were not in great abundance or great demand in Canada during the period prior to 1939? Could the minister give us the picture as to what effect this will have on the British film industry and also on the United States film industry, because I believe that is what the hon. member for Muskoka-Ontario started to get at.

Mr. MACDONNELL (Muskoka-Ontario): I have not got into the films yet at all.

Mr. PROBE: But that is what we are all trying to get at.

Mr. HOWE: It is not the present intention to interfere with the distribution of films in Canada. British films come here freely. They have their own distribution in their own theatres, as the United States films have; and films continue to come in as in the past. We are trying to get a reasonable offset for the drain of United States dollars resulting from the importation of United States films. As I say, I think that we are working out a transaction which will represent a reasonable quid pro quo. I am not able to announce it here, because all the details are not worked out; and to give part of the story might not be helpful in closing the transaction.

Mr. PROBE: In view of the fact that this is entirely in the minister's hands, I presume he is making provision to protect non-scheduled country exports to Canada. This refers to motion picture negatives which, I presume, are the commercial films. They are one and one-eighth inches in width.

Mr. HOWE: Yes.

Mr. PROBE: That is the thing concerning which we should like some assurance.

Mr. HOWE: We are not putting any obstacles in their way. We would, of course, welcome more British films. But all I can say is that I do not know how much I can cultivate it. However, I am not putting any obstacles in their way.

Mr. PROBE: And with respect to the importation of United States films, the minister can assure the committee that it is proposed to attach certain conditions which will be beneficial to Canada?

Mr. HOWE: Yes, that is right.

Mr. JACKMAN: In connection with the moving picture film business, it does seem strange that we went all through schedules I and II and that we purposely took the pre-war pattern of trade and made it possible for Great Britain to send over as much in goods as she could, because they owed us lots of money and we needed their products. Now we come to films and we find that the government have not followed that formula at all. I think the committee is entitled to some of the reasoning behind this. We know that the United States film industry was very hard hit by the action of the United Kingdom, which had the same problem we had, namely the shortage of United States dollars. They cut United States films down drastically. But we followed the opposite course and put no limitation upon them at all.

It is hard to criticize too severely until we know what the quid pro quo is. However, I think we should point out some of the things that are in our minds at least. It does seem to some of us to savour of United States domination. The last thing the United States government wishes to do just now is to do anything to hurt the United States film industry to any greater extent than has been done by the United Kingdom restriction of imports of United States films.

I think the government should give some very good reason why we have followed such a different course in respect to this one product, namely United States films, from the course we have followed in connection with

every other product normally imported into this country. And because we are chronically short of United States dollars, even in normal times, it would seem to me that no harm would be occasioned if we were to give a little lift to the British film industry here at the present time as against the number of United States films which come in. They have the great advantage over British films because of our way of life and our being adjacent to the United States. And when we are doing everything we can, or making it possible for the British people to pay for the things we want to sell to them—for instance wheat, which we have no place else to sell—I think the committee should be given the reason why we differentiate so completely when it comes to films. Why do we make such a difference between films and other matters?

Mr. HOWE: The film industry does not, in our opinion, lend itself to quotas.

Mr. JACKMAN: The United Kingdom did it.

Mr. HOWE: They practically prohibited them by putting a 75 per cent tax on the receipts. And the result is that the United States industry stopped shipping. I have not noticed any indication that it has helped the British film industry one iota. In fact, they are talking about unemployment in the film industry; I was just reading about that tonight. However, if my hon. friend can suggest any way of helping the British films to come here, I shall be very glad to consider it. But I cannot think of any way, except to go over there and buy them, and bring them out. They are entirely free to come into this market.

Mr. JACKMAN: When you cannot eat lettuce you eat something else; when you cannot get United States films you receive British films.

Mr. HOWE: Probably my hon. friend does not go very often to the moving pictures, but I understand that people do have their tastes in films. If we can give them what they want, the idea is not to impose unnecessary conditions on them. We will not disturb the habits of the film goers if we can get a quid pro quo which is equally valuable. I do not know why my hon. friend should object; he does not go to the movies.

Mr. JACKMAN: I did not say I do not go.

Mr. HOWE: You talk like a man who does not.

Mr. JACKMAN: Oh, not at all. I always talk for the public interest.

[Mr. Jackman.]

Mr. KNOWLES: The Minister of Trade and Commerce put up the argument that we should not disturb the habits of film goers. This afternoon and the other night when we were arguing for the importation of fresh vegetables, and when we then did not want the habits of Canadians upset, we were told we had to save United States dollars.

Mr. HOWE: My hon. friend left out just one word. I said "unnecessarily". I said if we can get a quid pro quo without disturbing it, then that is a better solution. When I speak of a quid pro quo I mean getting a very good share of value for that $10,000,000. I think perhaps in commercial value it might be close to $10,000,000. But I would rather have something valuable for the money, and give our people their films, than I would simply stop films and have no money to buy valuable things.

Mr. KNOWLES: It is because we wanted something for them that we asked for fresh fruit and vegetables.

Mr. MacINNIS: I was just about to say what the hon. member for Winnipeg North Centre has just said. It is difficult to understand the policies of this government because there really does not seem to be very much rhyme or reason in what they do.

But what I rose to say was that the Minister of Trade and Commerce and the hon. member for Rosedale ought to see some films, and I would suggest that they should see British films. They are excellent. I am not a movie fan; but occasionally when I get tired listening to members of parliament I take in a movie.

Mr. CRUICKSHANK: Mickey Mouse?

Mr. MacINNIS: I would suggest that they should see some British films, and then they would be in a position to recommend them to their friends. In my opinion, those I have seen are far superior to the Hollywood brand.

Mr. JACKMAN: That is my contention.

Mr. MACDONNELL (Muskoka-Ontario): To get away from the movies. I should like to get back to real life for a moment.

Mr. HOWE: May I ask what item we are discussing, and where the hon. member for Muskoka-Ontario gets his position.

Mr. MACDONNELL (Muskoka-Ontario): I will explain that.

The ACTING CHAIRMAN (Mr. Bradette): We are discussing tariff item ex 238a, with respect to cinematograph or moving picture film negatives one and one-eighth of an inch in width or over.

Mr. MACDONNELL (Muskoka-Ontario): May I be permitted to say a word? When we were discussing permits earlier in the bill, if I am not mistaken the Minister of Finance said that the proper place to discuss permits in general, as to the way they are being given, would be when we came to schedule III. I wish to see whether I am right or not in my understanding. I wish to discuss the general question of permits, and I understand that this is the place to do so.

Mr. ABBOTT: It is all right if my hon. friend wishes to discuss permits. But if he wishes to discuss the figures on automobiles or machinery he should do so under the proper item.

Mr. MACDONNELL (Muskoka-Ontario): I shall bow to the ruling of the Chair. When we are talking about permits, first of all let us consider the subject. We are talking about the saving of United States dollars, and we are talking about this extraordinary procedure which we have to resort to, because of certain things which have happened; and we do not need to discuss them now. But one of the things which is essential in discussing these permits is to know how they are being used, and the whole basis upon which they are arrived at.

When we were on schedules I and II the Minister of Finance very fairly and properly explained the basis upon which this is being done. I think it is nonsense for us to consider these items one by one when we have not had an explanation of the whole basis governing the giving of these permits. Now is the time for us to get figures from the minister as well as an explanation as to how this is worked out. The other night I brought up the question to the minister, and he explained to us that he had made regulations in connection with the automobile industry. I have those regulations; I have read them and I was bold enough to say to the minister that they read pretty sensibly. But I wanted to know and still want to know—if this is not the right place to get it, we can get it some place else—and I suggest that now is the time to find out whether there is any rhyme or reason to this system under which permits are being given. The minister has made it very difficult. After a couple of slips of memory, he finally got down to the point where he explained what they had in the automobile industry. He has never told us how they worked it out. He just told us that was 105 per cent up. I am never very much impressed by people who figure out this sort of thing themselves. They always try to make it easy for themselves.

Mr. HOWE: Item 438a covers automobiles. If my hon. friend can exercise his patience that long I shall be prepared to give him all the data he is now asking for. But in the meantime I wish he would not talk about automobiles.

Mr. MACDONNELL (Muskoka-Ontario): I am talking about permits.

The ACTING CHAIRMAN (Mr. Bradette): Are you speaking on the point of order raised by the minister?

Mr. MACDONNELL (Muskoka-Ontario): I am speaking on the point of order raised by the minister. I am talking about permits and I used automobiles merely as an illustration. I want an explanation from the minister of how the whole business of permits under schedule III is approached. Has he an objective that he is working for? He has told us more or less that he has one in the automobile industry, and I want to know what his other objectives are. I want to know the amount of United States exchange he is allowing himself in connection with the steel industry, the motor industry and other industries. I want to know what figure we are dealing with. We are dealing with hundreds of millions of the money of the people of Canada. What the minister is trying to do is to juggle this thing along and have it left so that we have not the slightest idea of what figure he has in mind, and so that there will be nothing in the world that we can hold him to later on. I ask you Mr. Chairman, to rule that this is a proper time to discuss the basis of the permits under schedule III and that there is no other time to discuss it.

The ACTING CHAIRMAN (Mr. Bradette): I must rule that the question of permits would come up under schedule III, but at the same time the discussion of permits would have to be generalized in connection with the single item. We are discussing item ex 238a, and it would be in order to discuss permits for cinematograph or moving picture films and nothing else. There will be an opportunity of speaking about permits for automobiles later on. That is my ruling.

Mr. MACDONNELL (Muskoka-Ontario): I bow to your ruling, but I think it will complicate matters. It means that under each item we have to ask the minister what his objective is in the matter of United States exchange and how he is getting along with it. I think it will waste a lot of time but I bow to your ruling.

Mr. HOWE: May I say generally about permits that I have absolutely no authority

to issue any permit, because the official opposition has kept rolling this bill over since the middle of January and not putting me in a position of authority whereby I can issue permits. If this bill passes, then I can begin issuing permits, but if you ask me now about permits I must say that I am not doing any business.

Mr. NICHOLSON: I am sure that, on reflection, the minister will want to withdraw those remarks. If he intends to blame the opposition—

An hon. MEMBER: He said the official opposition.

Mr. NICHOLSON: The minister cannot blame any member of the opposition for the government's failure to formulate and enunciate a clear policy.

The ACTING CHAIRMAN (Mr. Bradette): Again I must remind hon. members that we are on item 238a. Shall the item carry?

Mr. JACKMAN: No.

Mr. FLEMING: I want to say something about the minister's last remark. Mr. Chairman, you purported to call us back to a particular item, and then the minister made certain remarks which constitute a grave reflection on one side of the house. If the remarks of those of us who want to say something by way of correcting the minister are ruled out of order, then certainly you should have ruled the minister out of order before he made remarks of that kind.

I should like to recall, for the benefit of the minister, certain facts which obviously he has forgotten in connection with the matter of bringing into effect the provisions of schedule III or the permit set-up under this whole scheme. When we were here in December the minister announced to the house that there would be some delay with respect to the whole permit system, that he was not going to bring it into effect until February 1. Then, in due course there was another announcement deferring the date. Those announcements had absolutely nothing to do with the passing of the bill; the minister gave quite different reasons for his action at that time. What he is now trying to do is to use something that has nothing whatever to do with this present issue before the committee, to drag that out as a red herring to cover up the fact that this whole program is such that the government does not know what it is doing or where it is going.

[Mr. Howe.]

Mr. ABBOTT: Do not take yourself too seriously.

Mr. HOWE: Sit down, my boy.

An hon. MEMBER: Sit down, you are too young.

Mr. FLEMING: Any more of those slapstick remarks from the ministerial benches will not contribute anything either to the decorum of the chamber or to the celerity of the proceedings.

Mr. ABBOTT: Well put.

Mr. FLEMING: When the Minister of Reconstruction and Supply, Trade and Commerce and everything else, the jack of all trades in the cabinet—

An hon. MEMBER: Order.

Mr. FLEMING: —undertakes to make remarks intended to disparage those in the house who do not happen to have his years—

Mr. ABBOTT: Shame.

Mr. FLEMING: —I want to say to him that I think references of that kind do not reflect any credit on him. There are a great many people sitting around him, younger men, who are not getting the chance they should in this house, simply because those who occupy the treasury benches do all the talking and do not give the young men behind them a chance to show their real ability.

The ACTING CHAIRMAN (Mr. Bradette): I would ask members of the committee to come down to earth and consider the item we have before us.

Mr. FLEMING: That can certainly be done if the ministers will refrain from these remarks with which they load up *Hansard,* simply because they sit beside the *Hansard* reporter. Remarks like that reflect no credit on the chamber or on the minister.

Mr. COTE (Matapedia-Matane): On a point of order, I believe the hon. gentleman is exhausting his steam power. I do not think he has the right, under the rules of the house, to cast reflections on or to impute motives to a minister. He is saying that the minister does all the talking because he wants to crush or squash, or whatever the word is, the backbenchers behind him, who are actually all heartily behind the minister. I say that he is imputing motives to the minister which he has no right to do, and I ask the hon. member to retrieve and to withdraw his remarks.

Mr. ADAMSON: Is it not a fact that the importation of British films is conditioned

upon the ownership of theatres in Canada? Is the number of British films that we can bring in not strictly limited by the ownership of the outlets?

Mr. HOWE: I would doubt that very much. I think if we got British films in proportion to British outlets as compared with United States owned outlets we would have far more British films. The Odeon people own almost as many theatres as Paramount and we do not get nearly as many British films.

Mr. TIMMINS: The minister holds the balance in connection with films coming from the United States.

Mr. HOWE: No, I hold no balance. I do not disturb in the slightest the distribution of films.

Mr. TIMMINS: The minister must exercise some discretion.

Mr. HOWE: Not a bit.

Mr. TIMMINS: How much is to be saved by the plan that is not yet in existence?

Mr. HOWE: Not very much.

Mr. JACKMAN: If we are to have in the functioning of these various schedules what I might call side deals such as the Minister of Trade and Commerce suggests he is having with the United States movie industry, I would close by reminding the Minister of Finance that I gave him what I thought was a worthwhile side deal on how to trade cattle for cabbages, and I did not even get the courtesy of an answer from him.

Mr. ABBOTT: Do not miss your train; Toronto needs you.

Item agreed to.

Customs tariff—306. Marble, sawn or sand rubbed, not polished; granite, sawn; paving blocks of stone; flagstone and building stone, other than marble or granite, sawn on not more than two sides.

Mr. PROBE: I am interested in these four items dealing with building stone. I have had some communication with the assistant to the Minister of Trade and Commerce with respect to importations of some of these items from Wisconsin, and I wish to express here my appreciation of the expeditious way in which they looked after that business.

But sometimes it so happens that when a substitute stone is available in Canada for a building, particularly a public building, the substitute does not fit into the architectural pattern, and consideration should be given to that feature, particularly when buildings still uncompleted have been a long time under construction prior to the introduction of this bill.

Would the minister indicate just how much money is involved in these four items for building stone? What were our imports prior to the war in the three-year period generally referred to from scheduled and non-scheduled countries? What was the amount imported in 1947 from the same source, and how much does the minister expect to save on these four items by whatever regulations he is about to adopt?

Mr. HOWE: The figures are granite rough, $193,744, from the United States; $697 from Mexico, $3,350 from Italy. Granite sawn, $179,813, of which $71,663 came from the United States, and $90,691 from Sweden, which is also a hard currency country. Granite manufacture, $32,306. Marble sawn, $104,585, chiefly from the United States, Marble for tombstones, $109,970. Marble manufacturers, $55,712. Those are the principal items, totaling around $1,000,000.

Mr. PROBE: The imports are larger than I expected. In general, we can develop substitutes for most of the items, but not for all of them. I presume the minister is prepared to give the assurance that, where a certain type of stone has been specified by the architects for a public building and it is not readily available in Canada, he will not hold up the building.

Mr. HOWE: If the building is partly completed we would naturally co-operate, but we sincerely hope that large quantities of stone will not be used, because that is not the type of building we are trying to encourage. If limestone is used we would rather have the Canadian product used, but architects are apt to specify Indiana limestone.

Mr. MacNICOL: A number of schools are now being built in Toronto, and the practice down through the years has been to use Indiana limestone. I understood the minister to give me the assurance the other day that there would be no prohibition of Indiana limestone being brought in to finish buildings.

Mr. HOWE: I think the architect would have to do a good deal of explaining why he could not use another stone or dispense with stone altogether. In any event, as I explained to my hon. friend, we realize that growing communities must have schools, and we are

prepared to examine the projects and decide on the basis of the actual project what can and cannot be done.

Mr. MacNICOL: A few days ago an official was here from Toronto and, I presume, discussed with the department the likelihood of their being able to obtain some kind of stone.

Mr. HOWE: No, he did not mention stone. He talked about steel, and we said that if it was not more than three stories high, reinforced concrete could be used.

Mr. MacNICOL: It would be foolish to insist on a school already half built with one type of stone being finished with some other type of stone. The school would be an eyesore to the children. We do not want anything like that.

Item 306 stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. BRACKEN: Would the minister indicate the business for Monday?

Mr. ABBOTT: I shall ask the house to allow me to advance one stage a resolution standing in my name to amend the Farm Improvement Loans Act, which will expire at the end of this month, and if the house will agree we might even give the bill its second reading. It is not controversial. The amendment is merely to extend for a further period of three years the act, which has proved reasonably successful. When that is disposed of we shall proceed with Bill No. 3, with which we have been dealing this evening, and if, as I hope, we dispose of that we shall proceed in committee with the resolution relating to the excise tax portion of the emergency program.

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

HOUSE OF COMMONS

Monday, February 23, 1948

The house met at three o'clock.

PRIVILEGE

MR. MARIER—REPORT IN MONTREAL "GAZETTE"

Mr. ELPHÈGE MARIER (Jacques Cartier): I rise to a question of privilege, Mr. Speaker. The Montreal *Gazette* this morning published an article, under the heading "M.P. promises aid in housing issue," which is untrue and misrepresents the facts. The first two paragraphs of that article read as follows:

Reversing his previous attitude in the matter of homes for tenants of dwellings owned by the Central Mortgage and Housing Corporation in Cartierville-St. Laurent, Elphège Marier, M.P. for Jacques Cartier, yesterday promised to help the people involved.

Alarmed at the prospect of having John G. Diefenbaker, Progressive Conservative member of parliament, carry his constituents' fight into the House of Commons, Mr. Marier, who prior to yesterday had supported the crown corporation, said that he would ask certain questions which the committee members want answered, on the floor of the lower house at the earliest possible chance.

I must state first that before the question was raised in the house by the hon. member for Kamloops (Mr. Fulton) I had made representations to the Central Mortgage and Housing Corporation on behalf of the tenants. Second, as to being alarmed by the possible intervention of the hon. member for Lake Centre, I must say that yesterday during the interview I had with the members of the committee representing the tenants, his name was not even mentioned.

MR. JAQUES—REFERENCE TO PRESS REPORT WITH REGARD TO HOUSE OF COMMONS DEBATES

Mr. NORMAN JAQUES (Wetaskiwin): On a matter of privilege, Mr. Speaker, I wish to correct a statement in the press dated Ottawa, February 21, which reads as follows:

As forecast yesterday, the official record of parliament was cleansed of the ugly remarks made Thursday concerning anti-semitism and other matters. It is understood that the members involved—Maurice Hartt (Liberal, Montreal-Cartier) and sundry Social Crediters, including John Blackmore, Solon Low, and Norman Jaques—went to the editor of *Hansard* in some shame and asked to have their remarks eliminated.

I want to say that no remark of mine was eliminated. I did not go to Mr. Speaker, and I knew nothing about the matter until the following afternoon when the hon. member for Winnipeg North Centre (Mr. Knowles) referred to the matter.

STANDING COMMITTEES

REPORT ON PROCEDURE—CHANGE IN PERSONNEL

Hon. LIONEL CHEVRIER (Minister of Transport) moved:

That the name of Mr. Knowles be substituted for that of Mr. Coldwell on the special committee appointed to consider the procedure of the House of Commons.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 86, for the relief of Alfred Keeley.—Mr. Maybank.

Bill No. 87, for the relief of Marie Albina Ethel Dubois Howick.—Mr. Maybank.

Bill No. 88, for the relief of Ignaty (Ignas) Sokolovsky.—Mr. Maybank.

Bill No. 89, for the relief of Laura Grace Hanley Huggenberger.—Mr. Maybank.

Bill No. 90, for the relief of Eva Wolfovitch Zloty, otherwise known as Eva Wolfovitch Gold.—Mr. Maybank.

Bill No. 91, for the relief of Sheila Lightstone Marcus.—Mr. Maybank.

Bill No. 92, for the relief of Lea Alvina Mary Boulay Orr.—Mr. Maybank.

Bill No. 93, for the relief of Armand Lapierre.—Mr. Maybank.

Bill No. 94, for the relief of Georgette Ruth Cote Geller.—Mr. Maybank.

Bill No. 95, for the relief of Mary Elizabeth Ellwood Blackburn.—Mr. Maybank.

Bill No. 96, for the relief of Annie Elisabeth Horseman Charters.—Mr. Maybank.

Bill No. 97, for the relief of Sarah Ann Older Verrier.—Mr. Maybank.

Bill No. 98, for the relief of Anna Martha Kokojachuk Waugh.—Mr. Maybank.

Bill No. 99, for the relief of Elsie Mark Farley.—Mr. Maybank.

Bill No. 100, for the relief of Lela May Begley Hall.—Mr. Maybank.

Bill No. 101, for the relief of Marguerite Isaacs Katz.—Mr. Maybank.

Bill No. 102, for the relief of Delilah May Jacobs Button.—Mr. Maybank.

Bill No. 103, for the relief of Ruth Shkurnik Gilbert.—Mr. Maybank.

Bill No. 104, for the relief of Goldie Tessler Wise.—Mr. Maybank.

Bill No. 105, for the relief of Martha Norman McCairns.—Mr. Maybank.

Bill No. 106, for the relief of Marion Rita Kendall O'Donahoe.—Mr. Maybank.

Bill No. 107, for the relief of Gertrude Mae McLean Cole.—Mr. Maybank.

Bill No. 108, for the relief of Freda Gertrude Parkes McMillan.—Mr. Maybank.

Bill No. 109, for the relief of Alma Petrides Prysky.—Mr. Maybank.

Bill No. 110, for the relief of Jean MacDonald Di Falco.—Mr. Maybank.

Bill No. 111, for the relief of Betty Yossem Edelstein.—Mr. Maybank.

Bill No. 112, for the relief of Leonard Carlton Matthews.—Mr. Maybank.

Bill No. 113, for the relief of St. Kilda McKay McLean Anderson.—Mr. Maybank.

PRIVILEGE

MR. MCLURE—REPRESENTATION OF P.E.I. ON COMMITTEE ON HUMAN RIGHTS

On the order: Government notices of motion.

Mr. W. CHESTER S. McLURE (Queens): Mr. Speaker, I deem it my duty as a member of parliament from the province of Prince Edward Island to rise on a question of privilege, and to do so before government notices of motion are called, particularly the motion dated February 20 and standing in the name of the Minister of Transport (Mr. Chevrier). It is not necessary for me to read the motion unless you, Mr. Speaker, wish me to do so. I call to your attention that a similar motion was introduced in this house on May 16, 1947, as will be found at page 3140 of *Hansard* for that date, by the then right hon. Minister of Veterans Affairs, who delivered a brilliant address; and I suppose this time we can anticipate another brilliant address. At page 3149 of *Hansard* of that date I brought to the attention of the house the fact that if human rights and freedoms are for all, there should be no discrimination against any province of Canada, that every province, regardless of its minority population, should and must have representation on the committee which is to study human rights and fundamental freedoms.

The present resolution, like the one of 1947, ignores the first principle of equal rights to all. Here is a committee to be set up consisting of twenty-nine members; two from British Columbia, three from Alberta, two from Saskatchewan, three from Manitoba, six from Ontario, nine from Quebec, three from New Brunswick, one from Nova Scotia and not even one from Prince Edward Island, the birthplace of confederation. At this moment I do not know if this is a sin of commission or of omission, but I think it must be admitted it is one or other, and is fundamentally discordant to the principle of human rights contained in the resolution.

Therefore I ask, before the motion is called, that it stand over or be withdrawn until my province has a representative on that committee; and if permitted I would recommend the senior member from the dual constituency of Queens.

TRANSITIONAL MEASURES ACT, 1947

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

Right Hon. J. L. ILSLEY (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 provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war.

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

Mr. BRACKEN: Can the minister say now when he expects to deal with this matter?

Mr. ILSLEY: No, I cannot say.

Motion agreed to.

EXPORT CREDITS INSURANCE ACT

AMENDMENT WITH RESPECT TO POWER TO ENTER INTO CONTRACTS

Right Hon. C. D. HOWE (Minister of Trade and Commerce) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill to amend the Export Credits Insurance Act, to empower the corporation, with the approval of the governor in council, to enter into insurance contracts for a term or in an amount in excess of that which the corporation would normally undertake; moneys required to discharge liabilities of such contracts to be paid out of the consolidated revenue fund.

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

Motion agreed to.

PENSION ACT

RATES OF PENSION FOR DISABILITY AND DEATH—SALARIES OF PENSION COMMISSIONERS

Hon. MILTON F. GREGG (Minister of Veterans Affairs) 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 Pension Act to provide for increases in the rates of pension for disability and for death under the act, and to provide an increase in salary for the members of the Canadian Pension Commission.

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

Motion agreed to.

HOUSING

ALLEGED INCREASE IN RESIDENTIAL RENTS BY GOVERNMENT AGENCIES

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): In view of the statement of the Minister of Finance at page 1430 of *Hansard* I should like to inquire as to the authority under which residential rates are being raised by wartime housing in the cities of St. Catharines and North Vancouver, and by the Department of Transport at the airport near Kenora.

Hon. DOUGLAS ABBOTT (Minister of Finance): I received notice of the question just before coming into the house, and I do not know whether in fact rents are being raised. I point out to my hon. friend, however, that dominion housing projects such as those of Wartime Housing Limited and so on are not and never have been subject to rent control.

VETERANS AFFAIRS

EXTRA ASSISTANCE TO SINGLE VETERANS AND SERVICE PENSIONERS

On the orders of the day:

Mr. T. A. KIDD (Kingston City): I should like to ask the Minister of Veterans Affairs when single veterans, who are at present attending university and who have dependent widowed mothers, may expect an announcement regarding their application for extra assistance or cost of living bonus.

Hon. MILTON F. GREGG (Minister of Veterans Affairs): I received notice of this question just as I was entering the chamber. I will take note of it and answer as soon as possible.

Mr. KIDD: Then I have a supplementary question. When will the minister make an announcement in reference to extra assistance or a cost of living bonus to the service pensioners as well? I will send him notice.

HOUSE OF COMMONS

SUGGESTED PENSION PLAN FOR STENOGRAPHERS

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): I should like to ask either the Prime Minister or the Minister of Finance whether it is possible to indicate how soon we may expect an announcement about a pension plan for House of Commons stenographers.

Hon. DOUGLAS ABBOTT (Minister of Finance): The officials of my department have been looking into the matter and have prepared certain recommendations which will be considered at an early day by the internal economy commission of the house, which has jurisdiction in these matters; and I should hope it would be possible to make an announcement very soon.

THE SENATE

QUESTION AS TO USE OF PRIVATE CAR BY SENATOR ON TRIP TO VANCOUVER

On the orders of the day:

Mr. C. W. HODGSON (Victoria, Ont.): Mr. Speaker, I should like to ask a question of the Prime Minister. Did Senator Ian Mackenzie use a government private car for a trip to Vancouver and return recently, and since his appointment to the senate? Who gave authority for the use of this car? Have all senators such a privilege? How much did it cost?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I could not hear what my hon. friend was saying, but I shall take note of what he said and give an answer another time.

WHEAT

INITIAL PAYMENT FOR CROP YEARS 1945, 1946 AND 1947

On the orders of the day:

Mr. D. J. McCUAIG (Maple Creek): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce. Would the minister inform the house how soon he proposes to bring in the bill to increase the initial payment on wheat for the crop years 1945, 1946 and 1947?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): If my hon. friend will take note of item 15 on the order paper he will find there a resolution preceding a bill which will have the effect to which he refers. How soon we will be able to consider it will depend upon how long members of the opposition delay approval of the emergency measures.

Mr. DIEFENBAKER: How long the minister refuses to answer.

Mr. FLEMING: How long it takes the minister to give essential information to the house.

MIDDLESEX EAST

WORLD'S CHAMPION HOLSTEIN COW—OAT KING OF NORTH AMERICA

On the orders of the day:

Mr. H. O. WHITE (Middlesex East): Mr. Speaker, I should like to ask a question of the parliamentary assistant to the Minister of Agriculture, who is also the hon. member for Middlesex West (Mr. McCubbin). Is he aware of the fact that last week Mr. R. M. Berry of Wilton Grove, Middlesex East, completed the three year test and development of the world's champion Holstein cow Lonelm Texal Happy producing 91,641 pounds of milk and 3,357 pounds of butter? Is the parliamentary assistant aware of the fact that last week Mr. Alex M. Stewart of Middlesex West was crowned oat king of North America for the second time?

Mr. ROBERT McCUBBIN (Parliamentary Assistant to the Minister of Agriculture): I note what the hon. member for Middlesex East has said, and I wish to offer my congratulations to those two gentlemen.

LABOUR CONDITIONS

TYPOGRAPHICAL WORKERS—PRESS REPORT AS TO STATEMENT OF DEPARTMENTAL OFFICIAL

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, I should like to ask a question of the Minister of Labour. Has his attention been called to a speech made in Hull a few days ago by a senior official of his department in which that official is reported to have said that strikes such as the one called by the employees of the Ottawa *Citizen* should be declared illegal, and that ways and means should be found to reduce the powers of certain union leaders? Is this government policy?

Hon. HUMPHREY MITCHELL (Minister of Labour): No one knows better than my hon. friend that it is not government policy. It has been called to my attention. I saw the news item—not quite so widespread as my hon. friend makes it, I would say—

Mr. KNOWLES: I quoted directly from the report.

Mr. MITCHELL: I understand that. But I would rather check before I convict, you understand.

Mr. KNOWLES: Your conviction is coming.

FARM IMPROVEMENT LOANS

AMENDMENT OF ACT OF 1944 EXTENDING ITS OPERATION FOR THREE YEARS

Hon. DOUGLAS ABBOTT (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to amend The Farm Improvement Loans Act, 1944, to extend its operation for a further period of three years and the guarantee for the said period on the same terms as for the original three-year period.

Motion agreed to and the house went into committee, Mr. Macdonald (Brantford City) in the chair.

Mr. ABBOTT: Perhaps I might say a word at this point. The main purpose of the bill which will be founded on this resolution is to extend the present Farm Improvement Loans Act for a further period of three years, on the same basis as the present act. It expires on the last day of this month, and unless extended it would not be possible to extend further credits under it.

I am informed the act has worked out pretty well, and it is proposed to extend it for a further period of three years, with guarantees to the banks who make these loans on the same basis as they are now.

There will be an additional provision extending the type of security which may be taken, by enabling banks to take a mortgage or hypothec on the construction, repair, alteration or making of additions to any building or structure on a farm. Heretofore a bank could take this type of security only where the principal amount of a loan exceeded $2,000 and was for a period extending beyond five years. The security provided for loans under $2,000 for a period of less than five years is farm implement security. The proposed amendment is to make these loans available to farmers who are not in a position to give farm implement security. For example, there are certain types of farming where the farmer actually has no implements of any value upon which to give security. In these cases he has not been able to get a farm improve-

ment loan. There are other cases in which the only implements a farmer has to give security on are exempt, and this type of farmer finds himself unable to obtain a farm improvement loan. The proposed amendment is to take care of cases of that type.

Mr. BRACKEN: Two or three days ago the Minister of Finance advised the house that he would proceed with this measure provided that there was no disposition to discuss it at length at this time. I think he received the assurance that there was no desire to do that. I do not rise at this time to speak at any length. I wish only to request that when the minister move second reading he give the house a fuller statement respecting the administration of the measure than he has just given. For instance, how much money has been lent under this act; how many loans are there, and in what sections of the country? It is being used to the extent expected and what losses have there been, if any? I would prefer that the minister should not proceed with second reading today, but that when second reading is moved he give the house a full statement respecting the measure and its administration during the past three years.

Mr. ABBOTT: I have the data, and I shall be glad to give it at any time.

Resolution reported, read the second time and concurred in. Mr. Abbott thereupon moved for leave to introduce Bill No. 114, to amend the Farm Improvement Loans Act 1944.

Motion agreed to and bill read the first time.

Mr. SPEAKER: When shall the bill be read a second time?

Mr. ABBOTT: I presume the house might be disposed to agree to give second reading tomorrow. It is important that the bill be passed this week, before the end of the month, in view of the fact that this provision will expire at the end of February.

Mr. BRACKEN: The Minister has suggested that we proceed with second reading tomorrow, and I understand the desire of the government to get it through expeditiously. If I am correct, I believe the present act expires at the end of this month, and the minister desires the amendment to take effect and become law immediately when the present act terminates. I understand that members of the other chamber are away, and I am wondering how we can pass a law here and have it become effective with having it passed by that chamber.

Mr. ABBOTT: I am fully conscious that it will not be possible to have it adopted by the senate until next week, but the provisions of the act are such that if adopted next week loans which may be made between March 1 and say March 3 or 4 when it receives the approval of the other chamber and royal assent will be covered. That feature has been discussed with the general managers of the banks making these loans, and I am told that they will not withhold proceeding with loans in the usual way once they have had the assurance, which I felt I could give them, that the house would extend the provisions of the act.

Mr. BRACKEN: There will be no serious administrative difficulties?

Mr. ABBOTT: No. I did feel it was desirable that it should be ready for the other chamber as soon as they reconvene on Wednesday or Thursday of next week.

FOREIGN EXCHANGE CONSERVATION

PROHIBITION OF CERTAIN IMPORTS AND PROVISION FOR IMPORT QUOTAS AND PERMITS

The house resumed from Friday, February 20, consideration in committee of Bill No. 3, respecting emergency measures for the conservation of Canadian foreign exchange resources — Mr. Abbott — Mr. Macdonald (Brantford City) in the chair.

On schedule III.

Customs tariff—306. Marble, sawn or sand-rubbed, not polished; granite, sawn; paving blocks of stone; flagstone and building stone, other than marble or granite, sawn on not more than two sides.

Mr. CHURCH: The board of education of Toronto made an application to the minister in connection with proposed additions to the Riverdale collegiate, Bloor collegiate, and other schools in the city. Ontario did not come under the legislation passed between the two wars to provide grants for schools and other municipal institutions in connection with unemployment. During the last war a heavy school population, both secondary and otherwise, grew up in our city. The lower forms of the secondary schools are doing a great deal of work which was formerly done in the public school. Mr. C. H. R. Fuller, the business administrator of our school system, saw the minister in connection with this matter, and was pleased with his visit with him. Jarvis Street collegiate cost the city $60,000 a room because fabricated steel and expensive cut Indiana stone and other stone materials were used. The minister told this delegation that he did not want them to use much United States steel. He said that if the building was only three stories brick could be used. I think

he is quite right because I believe some of the schools are costing too much. The minister promised Mr. Fuller and the delegation some aid, and I should like to know if he will agree to an application for a reasonable amount of steel. They would not require very much because they could use heavy lumber from Canada, brick and cement and stone. I do not think these schools should be built as they used to be, with dressed stone and materials of that kind, economies are being made now.

Mr. HOWE: As the hon. member has said, I met a delegation from the school board of the city of Toronto. We discussed the general priciples that would cover their construction for this year and it was agreed that they would submit each separate project to the department and that sympathetic consideration would be given to the issue of project approvals. I believe that that process is being followed. I have heard of no further complaint from the school board. I think I can assure my hon. friend that the situation can be worked out in a reasonable way to the satisfaction of the school board.

Mr. ABBOTT: On Friday evening the hon. member for Eglinton asked if I would place on *Hansard* as an appendix a table showing the average imports of goods covered by schedule II in the same way as had been done with respect to schedule I. I told him that I would see that such a table was placed on *Hansard* and I now propose to do so with the permission of the committee.

(For the table referred to, see Appendix.)

Mr. FLEMING: I should like to thank the minister for making that information available. There was one other thing the minister said he would look into and make an announcement about at a later stage in the committee. I refer to publicizing the awards of permits under the bill.

Mr. ABBOTT: I have not yet had time to give that as careful consideration as I should like to give it and to discuss it with my officials to see whether it might be practicable.

Mr. MACDONNELL (Muskoka-Ontario): The minister was going to look into the question of cotton purchases. He said he would get further figures and give them to us during this debate.

Mr. ABBOTT: I will try to get them if they can be broken down.

Mr. HOWE: In the light of the discussion of schedule III on Friday evening it looks to me as though time could be saved if I made a statement covering the general principles of schedule III, giving the background of the administration of this schedule and discussing the moving picture and automobile items which seem to give so much distress to hon. members opposite.

[Mr. Church.]

The discussion which started on Friday on schedule III, dealing with the import restrictions to be applied to capital goods, revealed some basic misconceptions as to the purposes and form of the control. Before proceeding in detail I would like to make a short general introductory statement.

First, a word on the principles and policy underlying the administration of schedule III. It can be put very simply. The objective guiding our administration is to encourage industries, activities and practices which will earn or save United States dollars. A necessary test is that these industries will use Canadian resources in so far as possible. New industries must be economically sound; capable of standing on their own feet and competing successfully once the temporary protection of import restrictions is withdrawn. That is the positive side.

To make our positive measures effective we must also apply some negative and restrictive measures. We must discourage further investment in a broad range of industries which are less essential. I do not like the word "non-essential." The new amusement, service, commercial and industrial enterprises in which new investment and construction must be curtailed would provide many pleasant amenities and improvements in the Canadian standard of living. But they all involve expenditures of United States dollars. I have mentioned before that approximately 30 cents out of every dollar spent on new construction, machinery and equipment finds its way to the United States. Since our supply of United States dollars is limited it must, in effect, be rationed.

The need for this is underlined by the magnitude of new capital investment intentions in 1948. On top of an investment boom in 1947 in which the all-time record, in peace or war, of $2·4 billion was spent on new construction, machinery and equipment in Canada, an increase of 17 per cent, or $400 million, is planned for 1948. For the purposes of this discussion it is the United States dollar aspect of this really staggering amount—$2·8 billion—which concerns us. But I would like in passing also to draw attention to the disturbing inflationary possibilities inherent in such a program. Some postponement of the less essential expenditures in this program will be far from harmful. It will not cause any unemployment in the construction or capital goods industries. In fact our capacity in a

number of key instances, such as steel supply, will be strained to the limit to provide for essential construction. Additional demand in the market will simply bid up prices, intensify shortages, interrupt necessary work and generally add to costs. On the other hand, projects postponed now will prove useful in maintaining employment and income in the future.

This may appear a digression, but I wish to make the point that while our exchange position forces us to limit our purchases of capital goods in the United States, our over-all investment picture is such that some deferment of expenditures would in any case be economically desirable and sound.

There are two possible methods of limiting the imports of capital goods, or to put it another way, of rationing our limited supply of United States dollars to be spent on such goods. One method is an over-all blanket reduction; the other is by a selective approach, distinguishing between those projects which are most necessary and helpful to Canada, and those which can be postponed with a minimum of loss and inconvenience.

There can be little question as to the superior merit of the second method—the selective approach. But it has some important implications, from its very nature, that must be clearly understood. It is obvious that no hard and fast formula can be laid down to govern administrative procedure. Almost every project has distinctive features which require special consideration. There must obviously be a measure of administrative discretion. Each application for an import is screened in the light of the use for which it is required. Wherever possible the importer is required to submit complete details of his project. Various factors must be taken into account in the final appraisal of the essentiality of the project such as, for example, the need for maintaining basic public services; the possibilities of expanding export trade, the desirability of further developing our primary industries and in general of strengthening the Canadian economy with an eye to maintaining employment and income in the future.

What I have been saying applies to the general range of capital goods covered by schedule III. The schedule also provides for control of the imports of the important automobile and motion picture industries. Since there has already been some desultory discussion of this I would like to make some general remarks concerning these two industries and their place in our over-all exchange and industrial program.

The automobile industry has become one of the largest Canadian manufacturing industries. It has developed to the point where cities such as Oshawa and Windsor are largely dependent upon it as a source of income and employment, and its ramifications are very great. The total scope of the industry cannot indeed be estimated with any accuracy because it extends into so many aspects of our national life. It reaches out from the automobile production line to distributors, repair and dealer services which extend across the country. The needs of automobile drivers and of commercial transport are reflected in the highway systems and the construction programs of the provinces. The tourist industry is important to the country because of the automobile and the service facilities available to travellers. The automobile manufacturers depend in their turn upon other industries which supply them with their raw materials, such as primary iron and steel, textile fabrics, plate glass, paints and varnishes, and so forth.

I have been asked to provide some statement as to what was our preliminary objective with regard to the saving of United States dollars which might be effected by restricting the imports of the automobile industry. I must say again that there was no such objective at the beginning except the general belief, founded on a careful examination of the facts, that some substantial saving could be made without at the same time inflicting damage on the industry itself. I have given the house a figure of $35,000,000 which was mentioned at an earlier stage by some of those involved but this was never a goal or an objective.

It has been necessary to proceed step by step in consultation with the industry itself. They have been approached to give their advice as responsible citizens in the formulation of a policy for their industry which would be in the national interest. A formula has been developed which will enable automobile manufacturing to continue at substantial levels and still provide some relief by way of minimizing the net drain of United States dollars.

The formula has been published and made available to the house and it will not require any marked diminution of automobile production in Canada this year. In the categories affected, namely automobiles and light trucks, it might indeed be increased from the high level of last year when the total production of such vehicles was in excess of 250,000. Imports of parts under tariff items enumerated in schedule III, namely 438b, 438c, 438d and 438e, amounted to $108 millions in 1947. Imports of complete vehicles, such as automobiles and trucks of three tons or less, were

running at the annual rate of about $65 million in 1947 until they were banned on November 17. Out of this total it is estimated that the formula will save about $70 to $75 millions of imports from the United States. By far the larger part of this, about $55 millions, will be saved on the import of complete vehicles and the balance on non-essential accessories and gadgets. Many parts which were previously imported will be found obtainable in Canada of good quality and at favourable price.

In effect the formula adopted reduces the imports of finished cars to token amounts in 1948, but will permit the continued operation of the automobile production and service industries at substantially 1947 levels. There is, in addition, an exchange incentive to increase production and exports above 90 per cent of the 1947 level, and the effect of this is that, roughly speaking, for every additional car sold for export two additional cars can be made.

Let me repeat that the formula and these estimates have been arrived at after consultation with the industry itself. I have been impressed by the way in which the industry has taken a responsible attitude towards this urgent national problem and has co-operated fully.

I should like to turn now to the motion picture industry. It illustrates that every industry has some special characteristics requiring special consideration. One approach to saving United States dollars in the motion picture business would have been to apply quotas to imports of United States films. This method has been applied in a number of other countries, but with results far from generally satisfactory. In addition, there are some special features in the case of Canada which make a simple quota basis of restriction inappropriate. A substantial amount of the United States dollar cost of the industry to us is in the earnings of United States motion picture properties in Canada. This is over and above the approximate $12,000,000 a year paid in rentals on imported films. The total annual exchange cost of the industry is estimated at $20,000,000, of which $17,000,000 is in United States dollars, the balance going to the United Kingdom and, to a smaller degree, to France. The financial facts of the movie industry in Canada, the tastes and habits of the Canadian movie-going public, and the harmonious relations we have enjoyed with the United States producers—in short, the special situation of the industry in Canada—called for a more imaginative and constructive approach than quota restrictions.

[Mr. Howe.]

As I mentioned on Friday, discussions with the industry are proceeding. I do not think it would be desirable to go into detail on these while they are still under way. But I would like to say that we have been very much pleased with the co-operative spirit in which the industry has joined with us to explore the problem.

That Canada has some interesting possibilities in the movie world is obvious. Climatic factors, local colour and cultures, magnificent natural scenery, availability of technical personnel and facilities, and proximity to the California and New York centres of the United States industry are all of significance. The west coast and Quebec, to mention only two areas, have important location and production advantages. It is our hope that the movie industry will contribute to the solution of the Canadian exchange problem, not by contraction of business in Canada, but by the development of production in Canada and the use of the United States and international network of distribution outlets of the chief United States companies. An important by-product, of course, would be the publicity and resulting tourist business stimulated by a development of this nature.

Mr. LENNARD: Late on Friday evening the minister gave a figure on the amount of granite which has been imported from the different countries. Has he similar figures on the limestone imported in 1947?

Mr. HOWE: Yes. I gave the figures on granite and marble, rough. Then there is building stone not otherwise provided, which is largely limestone. That amounted to $190,000. I might say that the saving in stone itself is not of significance in this item. It is a key item in luxury building, and it is put in so that by denying the imported stone, luxury building can be discouraged. It is one of several items which are not of value in themselves but of value in controlling the expenditures which would otherwise be uncontrollable.

Mr. FULTON: May I ask the minister whether any over-all figure was arrived for the whole of schedule III?

Mr. HOWE: An over-all figure was discussed. I do not know why we should present our working papers. The final figure will be arrived at for each item just as it was in the automobile industry, after discussion with the industry and an intensive statistical study of the industry. In the preliminary figures $100 million was used as a saving for the capital

goods figure, but we know now that that figure was much too low. We expect to do much better than that.

Mr. LOCKHART: Has the minister given any assurance to industry that there will be a little security if they expand? To lay out the extension of industry that I have in mind will take considerable time. The minister of course has adopted the idea that this austerity program will be of very short duration. Has there been any recent change in that idea, so that industry which is contemplating extension in this country may feel a bit secure rather than have to face the few months the minister referred to? The other night he said this matter was going to be of short duration, and I would not recommend anybody going into very much capital expenditure on remarks of that kind. It sometimes takes two years to expand a building. Has that been discussed with industry? Can the minister assure industry that if they get started on these things, even if it takes a year or two, it will be perfectly safe to enter into this type of work?

Mr. HOWE: I have said repeatedly that it was not the purpose of government to use schedule III as a protective tariff. If any industry that the hon. member knows of is undertaking expansion, or new production, based on the protection that it will get from schedule III, I certainly hope that he will advise them not to proceed. I might go further than that and say that if it is found that any existing industry is using schedule III, or this emergency legislation, as a protective tariff, it is not unlikely that some import permits will be granted just to discourage that idea.

Mr. GILLIS: May I ask the minister a question arising out of the statement he has just made? He said the potential investment in Canada for the year 1948 was approximately 17 per cent higher than it was last year. Can the minister tell us how that investment is to be made, province by province; the percentage allocated to each province; second, whether the potential investment is all Canadian capital, and if not what percentage of it is United States capital?

Mr. HOWE: Obviously I have not that information. Last year we published an analysis of investment intentions based on replies to some 18,000 questionnaires that were sent out. It is the intention to do the same this year. I expect within a few days that a publication of that kind will be tabled. My hon. friend may make his own analysis; I have not the breakdown at the moment.

Mr. BLACK (Cumberland): My criticism of the minister's statement is that there is no permanency in his policy. In the maritime provinces we have a great natural building stone industry. It developed to a large extent years and years ago. Stone was produced in many parts of the maritime provinces and shipped not only to Ottawa and central Canada but also by vessel to a much larger extent to the United States. Many of the large buildings in New York, Boston and Providence were built out of stone produced in my constituency. It was produced not only in Cumberland county but also in the neighbouring counties of Westmorland and Pictou. The Langevin building in this city is built of stone produced in Northumberland county. Gloucester, Saint John, and Queens counties in New Brunswick also have stone quarries. In fact the geological formation of the maritime provinces is largely sandstone, and it is of a quality that cannot be surpassed anywhere. No better quality stone is produced anywhere than is produced in the quarries to which I refer. This parliament building is largely built of stone from Cumberland county. The old parliament building was built of Ohio sandstone. When it was destroyed by fire the architects unwisely used some of the old United States stone; they used it in the rear of this building, and it has disintegrated so that it is a blemish on this fine structure. If this building had been built entirely of stone from the maritime provinces there would not be the disfigured stones than can be seen in the rear of the building. The tower at the entrance is built of Cumberland county sandstone, and that is as fine an example of building material that can be found anywhere in the world.

This industry, like many others in the maritime provinces, has been retrogressing in recent years. A change has taken place in building methods. In the old days when our stone was shipped to the big centres, large strong blocks were used to support buildings of three, four, five and six stories. In recent years steel structures have been built with thin slabs of stone. Stone laying would perhaps be started on the second or third floor rather than at the bottom, the steel supporting the building rather than the stone as in the older days. The cement industry has advanced and artificial stone is produced which displaces part of the markets for stone, but there is no comparison in appearance or quality. The stone industry can be built up, and it would give a good deal of employment to the people in the maritime provinces. It would save Canadian dollars, which it has been necessary to save ever since I can remember—ever since the national policy was put into effect and before.

Therefore my complaint is that there is no permanency to this policy of encouraging the use of Canadian products. When the Minister of Finance made his statement he said this policy was only temporary, and made an excuse for it because of that fact. If there were a permanent policy which gave some assurance and encouragement to the stone and building industry, scores of stone quarries would start up in the maritime provinces and would supply the stone requirements of all central and eastern Canada. But in the statement made to the house today by the minister there is no encouragement for these owners of stone properties to start operations. In the policy that has been in effect or is now before the committee there is no encouragement for the re-establishment of that industry; yet it was one of the most important industries in eastern Canada. The maritimes have not just one grade of stone; they have many grades, of different colours and textures. There is grey stone, blue stone, red stone—all the different shades.

My criticism of this legislation and of the statement made by the minister is that there is no permanency to the policy. The dominion government should adopt a policy—and I am glad that the Minister of Public Works is in his seat—of using in the construction of public buildings only such building materials as are produced in Canada. In Manitoba there are deposits of the stone which was used in the interior of this parliament building; it is a credit to Canada and a credit to Manitoba and should be used much more widely than it is. But architects and the government seem to give preference to the importation of United States stone. They can order any specifications and the big quarries in the United States are able to fill them more quickly than quarries in Canada can, because they have large plants whereas the industry in Canada has been allowed to lag for many years and now has only a fraction of the importance it held fifty or one hundred years ago.

In my province there was an old saying that if you put a grindstone or building stone in the waters of the bay of Fundy or Northumberland strait it would float naturally to Boston or New York. That trade is a thing of the past, but we still have the deposits of stone. When the budget is brought down this policy should be put on a solid basis so that builders and quarrymen may be encouraged and the industry built up to the benefit of our economy. That is what this country wants and what the maritime provinces deserve.

[Mr. Black (Cumberland).]

Mr. FOURNIER (Hull): The hon. member does not mean to say that since 1939 we have imported stone for public buildings?

Mr. JACKMAN: That is during the war period?

Mr. BLACK (Cumberland): I cannot say. I know that the Department of Public Works has imported from the United States stone which should have been produced in this country. There are big buildings in Montreal built of imported stone. This building itself was originally built of Ohio sandstone; that stone was used at the rear of the building, and you can see it disintegrating, whereas in the tower and in the front there is no disintegration; the stone is a credit to this country. This magnificent building is a credit to all of Canada. I ask that that policy be carried out. The minister intimates that since 1939 no imported stone has been used by the Department of Public Works. I am glad if that is so. What I ask is for him to adhere to that policy so that there will be no public buildings built in Canada which do not have our own Canadian stone specified.

Mr. FOURNIER (Hull): I put that question to the hon. member for this reason: As he knows, we have not been putting up public buildings during the last ten years, so I am trying to find out if we have imported stone.

Mr. BLACK (Cumberland): The minister is quibbling now.

Mr. FOURNIER (Hull): Oh, no.

Mr. LOCKHART: While the minister rather glibly puts off what I said, may I just associate myself with the hon. member for Cumberland, because after all we have the same problem not far from my own back door, in connection with the well-known Queenston quarries, which are in a position to take care of all types of Canadian work. I want to remind the minister of one thing. He says he is even going to discipline people who he thinks are starting up industry under tariff protection. But that does not seem to be the attitude of the Minister of Finance or of somebody else who met the fruit and vegetable growers recently. According to press reports today I notice that the fruit and vegetable men were down here and had a discussion with certain government officials. These press reports say they have gone back and have started an extensive program for this year. Somebody must have given them a different story from that which the minister has just told us. That is why I am still asking the minister for reasonable protection.

Apparently the fruit and vegetable men have had a little better success with regard to the expansion of industry than other people interested in that type of work.

Mr. CHURCH: I wish to support the stand taken by the hon. member for Cumberland. The complaint I have is this. There are three agencies using United States dollars to bring in stone, steel, and other expensive materials. First there is the agency which has to do with dominion buildings—customs houses, post offices and many other public buildings. The second group are the banks, many of whom are building skyscrapers with the housing situation as it is. When the Bank Act was up for revision three years ago I claimed that under the then section 92 they had no right to build these skyscrapers with practically all the stone imported from the United States. We should develop our own quarries throughout this country, as a national policy. They are in an experimental stage at the present time and have not been developed as they should be. The third group are the theatres, which are being built when we cannot get housing. Look at the housing situation in this city, where people are living in shacks and trailers in creeks and all that kind of thing.

These are the three groups who are carrying the large construction. The banks are the worst offenders. Under the Bank Act they have no right to go into real estate; their buildings must be commensurate with the size of their business. They cannot go into real estate except for collateral, and any shareholder has the right to bring an action against a bank under the act, or to go to treasury board and complain that the provisions of the act are not being lived up to. What is the position? The treasury board limits the banks to a period of seven years in which to get rid of these illegal properties, which require large quantities of expensive granite and other kinds of stone. That should be stopped. During the discussion of the Bank Act I asked the then Minister of Finance what he proposed to do in regard to the banks which were carrying on in this way, building thirty and thirty-five story skyscrapers as real estate investments, and he said an inquiry would be made into it. Under the act the treasury board can give a bank an extension of another seven years, making a total of fourteen years in which the bank must get rid of its real estate if the section is abused. If it does not do so the property reverts to the crown. But the Bank Act has not been carried out. Why should they go to work and use all this material, with the housing situation as it is? Why should people be allowed to build expensive theatres? There is one west of the Maple Leaf Gardens. Another is being built on Bloor Street east of Avenue road, on the north side. It is a large building, using many materials which must be imported from the United States.

I support a policy of Canada for Canadians in connection with these three items. I believe we should utilize our own quarries and develop them further, using all the scientific discoveries that have been made in recent years. So I hope the minister will take these points into consideration, because this class of construction represents a large expenditure of United States dollars.

Mr. BRYCE: I want to refer to the discussion on stone for just a moment. I do not want any protection to help the sale of Tyndall stone. I do not live in that constituency, but I know if some of that stone could be used in these buildings it would create a great deal of work for the men I represent in the constituency of Selkirk, so I hope that will be done.

Mr. DIEFENBAKER: I should like to ask the minister a couple of questions arising out of the statement he made a short time ago. One thing he said, as I understood it, was that even aside from the necessity of saving dollars the investment situation would have justified measures to keep out capital goods at this time. I wish he would explain just what he meant in that connection. Before he answers that question I should like to bring to his attention the speech he made recently in Toronto before the Canadian Manufacturers Association, as reported in the *Financial Post* of January 31, in which he set out a series of rules that would govern him in determining what imports should be permitted.

The first was that it should provide for the production in Canada of a manufactured article suitable for export. In connection with that consideration I would ask whether a new industry desiring to set up in Canada, having the necessary financial background and in a position to be in production shortly, would be granted a permit for capital goods. The second consideration, according to the report I have before me, was that it should be essential to the maintenance or expansion of industry. The minister dealt with that point today. The third consideration was that it should be essential to the maintenance or expansion of a productive public service. That is another of the matters to be dealt with today. The fourth was that it is required for

the production of a basic product such as in farming, mining, logging, fishing or in the production of petroleum.

In connection with these particular industries I would like to ask the minister this question. Regardless of what is to be manufactured or what basic product is to be produced in these industries, will permission to import be granted to everyone who qualifies under this section? In other words I come back to the point I raised the other evening, and as I approach this question I hope on this occasion we may remain in the temperate zone. I ask the minister whether there will be universal consistency in the application of the rules; in other words no matter what the industry may be, when what is required is needed for the production of a basic product such as in farming, mining, logging, fishing or in the production of petroleum, will the application be granted? Again I bring to his attention the fact that if this be not so, then what has been so often suggested, namely that he himself or those associated with him will have the power of life or death over the industries denied equality of treatment with other industries, becomes all the more apparent.

I noticed that when he made his statement he said he was being held up by the questions which were asked. Well, Mr. Chairman, if he had answered even half as completely or one-quarter as frankly as he did in his speech today, many of the questions that have been asked would have been answered long ago and it would not have been necessary to keep on asking them. The next ground is—

Mr. HOWE: My memory will hold only so many questions.

Mr. DIEFENBAKER: I beg pardon; the minister is right. I will let him answer at this stage and then proceed.

Mr. HOWE: The first question was why we object to an investment program of $2,800 million; is that it?

Mr. DIEFENBAKER: No. The minister stated that even if there had been no necessity to save dollars, the investment situation in Canada today would justify the denial of certain imports of capital goods.

Mr. HOWE: The national income of Canada can be spent only once for one thing. My hon. friend knows that capital investment means the locking up of a portion of the current national income in fixed investment. In order to carry out a fixed investment program in 1947 of some $2,400 million it would be necessary, as my hon. friend is aware, to purchase abnormal quantities of supplies from the United States. In other words our own country was not sufficient to carry an investment program of that size. The situation is very much along the lines expounded the other day by the hon. member for Muskoka-Ontario. He said that we are in a terrific boom, that we are spending money too fast and that the economy should be slowed down. Capital investment is one evidence of a boom period. The hon. member for Muskoka-Ontario had his own triple-barrelled program for cutting down expenditures. One was to reduce taxes, the second was to depreciate the dollar, and the third was to increase interest rates. That is one way of doing it, although I had never before heard from that school of philosophy.

Mr. MACDONNELL (Muskoka-Ontario): I said we should allow interest rates to increase naturally.

Mr. HOWE: I should hardly think that the three are consistent with each other. However this is a direct approach to a direct method of reducing capital investment, namely to deny the import of materials required for certain features of that program.

Mr. DIEFENBAKER: If there had been no shortage of United States dollars, would the minister have considered that the government should impose a ban in order to prevent the expansion that was taking place?

Mr. HOWE: If there were no importations—

Mr. DIEFENBAKER: With importations as they are.

Mr. HOWE: If we had unlimited wealth in foreign currency I should hardly think there would be any objection to the investment program contemplated this year. There are automatic restrictions, as my hon. friend knows. At the present time there is only so much steel available for a program of that kind. There are also other automatic checks. But if the sky was the limit, and if we had unlimited quantities of United States exchange and did not care how we used it, there would be no trouble about a program of the size he suggests. The limitation undoubtedly would be that of manpower. And whether that could be made up in some way by immigration, I do not know.

Mr. DIEFENBAKER: Ask the Minister of Agriculture.

Mr. HOWE: Yes.

Mr. DIEFENBAKER: Well, until this shortage developed, did the government have something in mind, even aside from the short-

age of dollars, to prevent the acceleration of business in this country and the development which the minister has described as a boom?

Mr. HOWE: My hon. friend has now got into a different channel. He talks about a boom in this country. I am talking about capital investment.

Mr. DIEFENBAKER: I am talking about capital investment, too.

The CHAIRMAN: I suggest the discussion should be related directly to the conservation of foreign exchange. That is the subject of the bill we are considering, and we are getting away from it.

Mr. HOWE: When the committee resumed I made a general statement, and I think perhaps it is only fair to allow some little discussion on it. My general statement covered matters other than the subject under discussion.

The CHAIRMAN: If the committee desires a wider discussion, the chairman will not object.

Mr. HOWE: The only point is this, that the government has given warnings respecting shortages of materials from time to time. It has been trying to correct the shortage situation, so far as the resources of Canada would permit.

Mr. DIEFENBAKER: In shipbuilding, for instance; there has been a shortage of steel in shipbuilding.

Mr. HOWE: The shortage of steel is not peculiar to shipbuilding; it is common to every industry in Canada. We apportion such steel resources as we have and as fairly as we can. But I do not think there is any industry in Canada which has all the steel it requires.

Mr. DIEFENBAKER: In order to remove from anyone's mind the suggestion that there might be unfairness, the minister should prepare to table in parliament at the end of each month a record of the permits granted and industries affected during that month. The minister has shown a desire to remove from anyone's mind the suggestion that there might be unfairness or discrimination in the awarding of these permits. The way in which that desire can be tested is for the minister at the end of each month during the session to lay on the table a record of the various industries affected and the types of capital goods they asked for, showing those accepted and those denied. Each industry, or each member within that industry, regardless of the order made, would then know that the discretion had been exercised equally and fairly among all the members of one class.

Mr. HOWE: There would be no objection to tabling a statement by the minister. But when one gets down to individual firms and discloses to the world in general the private business of those concerns—

Mr. JACKMAN: No.

Mr. HOWE: Pipe down, my friend. If you have something to say, stand up and say it. I am tired of your casual interruptions from your seat.

Mr. JACKMAN: Will the minister sit down while I answer his request?

Mr. HOWE: I have the floor. You can make your statement after I get through.

The CHAIRMAN: The minister has the floor.

Mr. JACKMAN: He asked me to stand up.

Mr. HOWE: Yes, when your time comes. Rejections seldom reach the application form. A firm is told in a conference that we cannot permit the type of building in which it is interested, or the type of project it wishes to proceed with, and the matter is dropped at that stage. In any event, if someone applied and was refused I should think it would be most improper for the government to announce that fact to all Canada. There would be a good deal of resentment on the part of applicants if that were done. I am willing to go as far as I can with you along the lines suggested, short of disclosing information which we regard as confidential, and which a private industry has a right to keep to itself.

Mr. DIEFENBAKER: I can see the point the minister makes, that there might be some objection on the part of one industry to having revealed details of permits granted to it.

Mr. JACKMAN: Not granted.

Mr. DIEFENBAKER: Or those which were not granted to it. But there can be no justification for not publishing a record of those not granted within a given class. If exercised in that way, a most arbitrary power is placed in the hands of the minister. The minister may view it as he wishes; he may become truculent when he is told about it. But the degree of his truculence reveals the degree to which he objects to reference being made to the tremendous power placed in his hands.

Today he has shown a desire to meet some of the main objections raised from this side of the house. Would he be prepared to go so far as to tell the committee in detail each month the number engaged in the manufacture of one certain item, the number of industries which applied for capital goods imports, the number accepted and the number refused? Parliament would then be in a position to determine whether or not, within any particular class, one company or group was being allowed importations of capital goods while another manufacturing the same line, was being denied the right to import capital goods. Would the minister be prepared to go that far?

Mr. HOWE: I will go as far as I can in any way that would be useful, without disclosing confidential information of the applicants. For instance, in line with my hon. friend's suggestion, if we had so many applications from the textile industry, and if of the total number we accepted so many and refused so many, I would have no objection to giving that information.

Mr. DIEFENBAKER: No objection to that.

Mr. HOWE: Generally speaking, the best test would be the general principles which govern approval or rejection, and those I shall be glad to state at any time. The members of the staff that administers this program are bound by the general principles. My hon. friend quoted from a statement made to the manufacturers' association. That is the document under which the project division is working. Any borderline cases are referred to a committee for discussion, but those are the governing principles covering the operation.

Mr. DIEFENBAKER: I have read five of these, but the sixth really gives an opportunity to the minister to show preference in favour of one at the expense of another. The sixth provides for the fabrication in Canada of a product or part formerly imported which is essential to Canada's economy. No. 6 gives the minster absolute power. It permits him to determine the economic development of this country in that he may allow one company to fabricate goods which were formerly imported and which are essential to Canada's economy. That is the one to which I make the strongest objection. No. 6 is an omnibus provision. If there are two or three individuals desiring to commence business in this country it places the minister in position to be able to say to one, "You can commence" and to say to the other, "You shall not commence."

[Mr. Diefenbaker.]

I should like to ask the minister to elucidate upon and enlarge that point 6 which he placed before the Canadian Manufacturers Association. What are some of the industries which the minister believes could be set up in Canada to produce the products formerly imported which are essential to Canada's economy? Would the minister state two or three that are not operating today in this country but which could operate in producing goods essential to Canada's economy?

Mr. HOWE: There are any number of parts industries which could operate here. Parts industries are expanding greatly, and the administration is encouraging their expansion. All that we ask of a new industry is that it make some real contribution to the Canadian economy. It is difficult to pick out of your mind any particular one. I might mention a company which has been set up to make shock absorbers for automobiles. All the shock absorbers which are made by this one manufacturer were formerly imported. That industry which has been set up to manufacture them in Canada falls into the category of an industry that is making a product essential to the Canadian economy.

Two million dollars are being spent in Hull in connection with an industry to make alcohol out of sulphite waste. There is a high United States content in that, but the resultant product will be a net gain to Canada and will represent either exports or a desirable domestic supply of industrial alcohol which is used in great volume. That is admitted as a desirable project.

There are several undesirable projects that run through my mind but I have not sufficient details before me to explain them. A new brewery would be an undesirable project, and we have turned down two or three applications. A new distillery would be in the same category, and new moving picture theatres and office buildings.

Mr. GIBSON (Comox-Alberni): Is the minister aware that there is a terrific shortage of office accommodation?

Mr. HOWE: I know that.

Mr. ROSS (St. Paul's): I do not quite understand the statement made by the minister to the hon. member for Cumberland and the hon. member for Lincoln. The minister said that any firm which was taking advantage of the ban on importations would be more or less breaking the law. I cannot reconcile the two statements which have been made by the minister. In one breath he says that this is not permanent, and in the next breath he says that industries are being set up. Is it the

policy of the government to make this permanent? Are the industries which he hopes will be set up to make articles for the benefit of Canada to be here permanently or only for a short time?

In a former statement the minister said he hoped that certain things would be made in Canada which could be exported to the United States, bits and pieces or something of the kind which we could make here. Has the minister taken into consideration the United States tariff against those goods? Have any representations been made to the United States government with a view to allowing these goods to enter the United States under a lower tariff? How do our costs of manufacture compare with those in the United States? I should like to know what some of these articles referred to by the minister would be.

Is this program to be permanent, or are these firms starting up in the hope that this exchange situation will exist for some considerable time and they will be perfectly safe for years to come?

Mr. HOWE: If a firm wants to start up here to make an article which will sell at a fair competitive price, at a price which will still be a competitive price when the emergency measures are ended, that industry will be welcomed. It is the firm which comes in to take advantage of a temporary market shortage, to sell its product at an exorbitant price, that will not be welcomed.

Mr. BLACK (Cumberland): I am glad to hear the minister say that it is the policy of his department to induce industries to locate in Canada, and that this program will be, as desired by the hon. member for St. Paul's, a permanent policy. Has the minister or his officials made any effort to have industries established in the maritime provinces on a permanent basis for the good of the Canadian economy? It is recognized by everybody, including the minister, that the industrial policy adopted during the war was not fair to the maritime provinces. We did not share fairly in that. This is another opportunity when industry can be established in this country, and the minister indicates that it is being done in some places. My inquiry is whether any special efforts are being made by the minister or those engaged in working out this policy to induce industries to establish in the maritime provinces. Our misfortune is that our basic products and natural resources are largely shipped out of the province in the raw, unrefined form. From the county of my hon. friend the member for Cape Breton South, for instance, enormous quantities of coal and a very large tonnage of iron and steel in the roughest form are shipped. Today's price of that steel is two and a half or three cents a pound. That steel could be manufactured in refining industries into products worth a thousand dollars and more a ton, and the same with coal. There are many different chemical industries based on the chemical ingredients of coal which could be established in our province. The leader of the C.C.F. party suggests gypsum to me. That is another raw material of which we have enormous deposits but which are now being shipped out largely in the roughest possible form. They could be refined in the province if industries were established there based on the requirements of Canada. That would give a measure of fairness to our province.

In the county of Cumberland a salt-refining industry has been started. We have fifty square miles of salt deposits, running from four to five thousand feet in thickness producing and refining 125 to 150 tons a day. But it is being shipped away as pure as any salt produced on the North American continent. This great natural resource could be the basis of many chemical industries which might be established in our province.

There is also the salt mine at Malagash in the eastern part of Cumberland county. There we have a very large deposit, and the only salt-mining project in all Canada, shipped away in the roughest and cheapest form.

Our lumber is shipped away in the roughest possible state. It could be the basis of many industries if they were encouraged to establish there and had some assurance of permanency. The opportunity came during the war period to help balance industry in Canada by establishing industries with some permanency in the maritime provinces. Here is another opportunity now to establish permanent industries in the maritimes and do a measure of justice to that part of our country.

There has always been a shortage of United States currency in Canada. There has always been surplus of importations from the United States. We have always needed to conserve United States exchange. Why could industries such as I have mentioned not be established, based on the natural resources and production of the maritimes? I appeal to the minister to apply his attention and direct that of his officials to this field, so that industries can be encouraged to locate in the maritime provinces. The minister takes credit for having established industry in Central Canada; but,

so far as I know, no such efforts have been made and no such results obtained so far as my province is concerned.

Mr. ROSS (St. Paul's): The minister says that this is not a protective measure.

Mr. HOWE: It is not intended as a protective measure.

Mr. ROSS (St. Paul's): If it is not so intended, why has the minister not been encouraging such firms as the shock-absorber firm in Hull to establish in Canada and manufacture their products here. We want these industries. The whole truth of the matter is that this is the strictest kind of protective measure that you can get. The government did not have courage enough to come out openly and use proper protective measures through the tariff to support industry in this country. That is the whole answer.

Mr. HOWE: That is why you are a Conservative and I am a Liberal, I suppose.

Mr. ROSS (St. Paul's): This is a protective measure which the government has adopted instead of imposing reasonable protection.

Mr. MACDONNELL (Muskoka-Ontario): I am very glad that we are having an exhibition of a new method today and I hope that we can make some progress. I am grateful to the minister for giving the information he has. Nevertheless I want to come back to what I think we are in danger of forgetting, that this is a measure to save United States exchange, and we are primarily interested in knowing how much is to be saved and by what methods. The minister has given information in connection with the automobile industry, and so far as it went, that was satisfactory. But I am anxious to get information with regard to other items in schedule III. A good many of them cover structural steel. One item, 388b, covers steel which is not strictly structural. A good many other items cover various kinds of machines, traction machines, internal combustion engines, and so on. The minister, I think, is wanting to leave schedule III in general terms, telling us that he has not yet worked it out but that there are two methods, an over-all blanket reduction and the selective approach, and he feels that we should have the selective approach. Regretfully I think we must have the selective approach in some cases, but I am not at all satisfied that there are not many items in schedule III where there could be an over-all blanket reduction. I take it that the minister intends that over-all blanket reduction to apply to his regulations in connection with the automobile industry. Is that a proper description of it?

Mr. HOWE: No.

Mr. MACDONNELL (Muskoka-Ontario): I will not quarrel with the minister's definition of his own terms. But in the motorcar industry there are regulations which apply to everybody. There are over-all reductions which say that a manufacturer can get so many United States dollars in respect of every car he manufactures for export and so many United States dollars for every car he manufactures for the domestic market.

Mr. HOWE: To clear up that point, my understanding of an over-all blanket reduction is a percentage reduction. In other words, if you brought in a hundred articles before, now with the restrictions you could bring in fifty. The automobile schedule does not work in that way at all. There is an element of selection. A man can bring in parts or he can bring in finished cars.

Mr. MACDONNELL (Muskoka-Ontario): I will get away from the minister's own terms, which apparently I did not understand. What I am referring to is a regulation such as we have for the motorcar industry whereby each manufacturer who imports shall be entitled to have so-and-so. There are four items he is entitled to get in respect of each car, and the same with regard to importers. I think that is what the minister called a blanket arrangement. I will call it an arrangement such as the hon. member for Lake Centre was talking about, under which everybody knows where he stands, and in which the minister exercises his discretion at the outset in framing the regulations, but after that it is the same for everybody. That seems to me to be a sound way to proceed, because then you have, first of all, an over-all arrangement which has many of the qualities for which the hon. member for Lake Centre asked; second you are able to estimate what saving you will make. It seems to me that we are not getting anywhere in this bill until we know roughly what the minister thinks he will save. He has told us what he expects to save in the motor industry. He has told us he has gone into it with the people in industry and he has arrived at arrangements satisfactory to them. That seems to me the wise way to have done it.

In connection with the steel industry, as I recall it, or at any rate in connection with certain of these other items, he said that they had a figure of $100 million in mind, but that it proved not to be enough. What I am

suggesting is that the minister should do for us in respect of these other schedules as far as possible—and I think "as far as possible" means quite a long way—what he has done in connection with the automobile industry. Many of these items can be treated in the same way, and even in those which cannot be treated quite in the same way, I think the illustrations which the minister himself used at Toronto, and which the hon. member for Lake Centre quoted, should enable the minister to give us estimated figures as to the saving which is to be made. I submit that is what we are here for. Suppose, for example, we found that the whole saving to Canada was trivial, would anyone rise in his place in this house, would the minister himself, and say that all these powers were to be given to him for the sake of saving a bagatelle? No, he would not say that. Therefore we are entitled to know how much saving they are to get before we give these powers which everyone, I assume the minister included, dislikes.

Mr. HOWE: My hon. friend has referred to a trivial thing. I point out to him that we have been an hour and a half on the stone item, where the total amount of United States imports amount to about $400,000.

Mr. MACDONNELL (Muskoka-Ontario): If the minister had told us that, perhaps we would not have been so long.

Mr. HOWE: I gave the figures on Friday night. However, my hon. friend would like the savings on each item. I shall be prepared to give item by item when we come to them. The purpose of this committee is to take up the bill item by item. There is a difference between saving in production goods and in capital goods. For instance, take cut stone. My guess would be that we would save three-quarters of the imports, perhaps $300,000 out of $400,000. Again that depends on the volume of new building.

Mr. MACDONNELL (Muskoka-Ontario): May I make one further comment?

The DEPUTY CHAIRMAN: Order; the hon. member for Cape Breton South.

Mr. GILLIS: A few minutes ago I asked the minister a question as to whether he could give us a breakdown of the potential investment by provinces and whether he could indicate to the committee what percentage of this new investment might be Canadian capital. The minister said that they had put out a booklet which indicated what was done up to last year, and that they were putting out another one that would tell the story, and that I could make my own analysis of it. I remembered that I had a copy upstairs, and I went up and got it. It was issued under the authority of the Minister of Reconstruction and Supply (Mr. Howe) to encourage industrial expansion in Canada. This is the title of it, "Encouragement to Industrial Expansion in Canada, Operation of Special Depreciation Provisions, November 10, 1944 to March 31, 1949".

Mr. HOWE: If I may interrupt my hon. friend; that is not the publication to which I was referring. The publication to which I was referring was an analysis of business intentions for industrial expansion. I think he will find that he has a copy of that publication also.

Mr. GILLIS: I have not a copy of that, but I have a few remarks to make on this document because it is relevant to this discussion. Before I make these remarks I should like to say this. As far as the bill is concerned, I am not particularly interested in the details. When the bill was up for second reading I made a statement on it. My opinion was that until this country has control of and develops the basic requirements that will enable it to be an industrial nation, all we shall succeed in doing will be to build assembly plants to assemble our own raw materials that are processed in the United States, and I am not taking back that statement.

I am not going to repeat what the hon. member for Cumberland said a few moments ago, but I agree with it, and I have said it in the house so many times that I am getting tired of hearing myself repeat it. Judging by the document that I hold in my hand, I would say that a large percentage of the capital being invested in new plant and equipment in Canada is accruing from the government in special depreciation allowances to the corporations which are making the new investment. That is my analysis of the document.

With regard to the allocation of expenditures proposed up to March 31, 1949, according to a map that is set out in the document, for the hon. member for Cumberland's information may I say that there is a proposed expenditure of $36,000,000 in British Columbia, $4,000,000 in Alberta, $2,000,000 in Saskatchewan, $2,000,000 in Manitoba, $166 million in Ontario, $159 million in Quebec, $11,000,000 in New Brunswick, $2,000,000 in Nova Scotia, and $1,000,000 in Prince Edward Island. I am not going to say there is any discrimination, but I will say that it is short-sighted investment for this reason. Industry is

already over-concentrated in the two central provinces. That is clearly indicated by the government's program for the maritimes. I should say they are the displaced provinces of Canada, the depressed areas, and are classified as such by the government. About all that has happened in that end of the country since the end of the war has been to export the people. The Minister of Labour made a statement in the house a few days ago which showed that he seemed to be proud of the fact that they had moved some four thousand people from Nova Scotia and New Brunswick, and that there is still an unemployed population of 4,500 there. If that is the program up to March 31, 1949, it is just a clear indication that not very much will be done to relieve the economic conditions of the maritime provinces. It is time that the people of that end of the country began to realize that the thing to do is to pack up and get out. If we keep on concentrating everything in the two central provinces of Canada what has to be done in the maritimes is for the governments of those provinces to do some government developing of industry themselves and seek overseas markets. They will perhaps have to build a merchant marine themselves to carry their goods across the sea. Unless something along that line is done, the picture is pretty bleak in so far as this particular program is concerned.

I am with the minister in anything he can do to stand Canada on her own feet and remove the domination that exists today in the field of industry and in our whole economy by the United States. My reason for asking the question as to what amount of United States capital was involved in this potential investment was to find out just what the trend is in the direction of further domination from that country.

From reading this document, I gather that the government is making most of the investment in special depreciation allowances, and this means that it is the taxpayers of Canada who are making the investment. If that is so, then the government should have some say in the allocation of the industry as between one province and another, with the end in view of levelling the economy of this country and seeking new markets elsewhere if it is not economic to transfer our goods from eastern Canada to central Canada.

As the hon. member for Cumberland pointed out a few moments ago, one-third of Canada's basic steel is produced at Sydney, Nova Scotia. It is shipped up to this part of the country, and at rates that keep the plant down there in an uneconomic condition. I think the minister is well aware of that.

[Mr. Gillis.]

Dosco have their fabricating plants in Ontario and Quebec. They sell the raw material to themselves at their own price. They made the government subsidize them during the war. Today they can duck taxes by still continuing to give this material to themselves as cheaply as they want to, because no one exercises any control over them today. If this special depreciation allowance is the major portion of this investment, I think the government should have some say with regard to where these industries are to be established. I personally am becoming ashamed to be talking about conditions in my end of the country. Every time I pick up a government publication with respect to potential development in any part of Canada, the bad end of it is always the end that is really bad at the present time. I think it is nearly time that someone in authority in this country was big enough to get up and lay down a policy for the maritimes, to say that the people are to be moved out or that something will be done for them; either one or the other. The people are at least entitled to an honest answer on that question, so that they may not continue to grope around in the dark. I should like the minister to tell me whether I am right or wrong in thinking that the major portion of the investment to be made up to March 31, 1949, is coming out of special depreciation allowed corporations by the government.

Mr. HOWE: Mr. Chairman—

Mr. ISNOR: Just before the minister answers, and in order to make it unanimous—

Mr. GILLIS: I asked the minister a question. I think he should be allowed the courtesy of answering.

An hon. MEMBER: The hon. member for Halifax is supporting you.

Mr. COLDWELL: He is going to make it unanimous.

Mr. HOWE: The special depreciation was a means of encouraging private investment. As my hon. friend knows, the period for accelerated depreciation ended in March, 1947. It was an encouragement for rapid reconversion and for the expansion of industry to bridge the reconstruction period. I might point out that the investment was private investment. The government has no say as to where the investment was to be made. If it was a desirable investment in a certain field, the government granted accelerated depreciation. It is true that the period over which the money can be paid as taxes is shorter in those cases than in the other cases, but the repayment to the crown is exactly the same in the long run. But those who were

building were permitted to write off their plant out of earnings in a shorter period than would have been the case without accelerated depreciation.

Mr. GIBSON (Comox-Alberni): You have to make a profit before you get your depreciation.

Mr. ISNOR: In order to make it unanimous so far as representations from the maritimes are concerned, I wish to join with the hon. member for Cumberland who sits with the Progressive Conservative group and the hon. member for Cape Breton South on this occasion.

Mr. GILLIS: The days of miracles are not past.

Mr. ISNOR: —who sits with the C.C.F. group. He says that days of miracles are not past. Well, I hope not. I sincerely trust that the hon. member who made that remark will see a little brighter side so far as the maritimes are concerned and that, as a result of that new outlook, he will help to bring to the maritimes the prosperity which he and others are seeking.

I agree with him in regard to this quick write-off that has been permitted. When firms who invested during the war period are being permitted to write off almost their entire capital expenditure over a period of five years, it strikes the average layman that favouritism is being shown, not in the sense of the minister trying to favour any particular firm but because the large industries were to a great extent concentrated in Ontario and Quebec. Because they enjoyed this large write-off, it naturally gave them equipment at a much lower price than they would otherwise have had to pay, and in that way they have an advantage over those who are trying to develop new industries in other sections of the country. I want the minister to look at this in the broadest possible sense and to give the widest interpretation to his powers as they relate, not to the industrial centres, but to the outlying sections of Canada. For instance, in Halifax at the present time we have a program of construction that centres around steel. Because of the lack of steel and the quota, this program is hampered. The minister might say, "We have given you a quota and we are living up to the quota." I say we should have had granted to the maritime provinces a much larger quota—or, in this case, to Halifax—than would apply to other parts of Canada. Instead of the 300 tons a month that were determined on as our quota, the minister might well have said, "Yes, because of the conditions in Nova Scotia you are entitled to 450,500 or 600 tons in order to bring about greater employment in the shipyards of Halifax."

Then he mentioned stone and referred to the fact that only $400,000 worth of stone was imported. Practically no stone for building purposes should be imported from the United States into Canada. If you go to Nova Scotia and New Brunswick you see stone everywhere. There are two or three stone quarries endeavouring to develop and expand and they find it hard to get the necessary funds from the industrial development bank in order to effect that expansion. I say to the minister who is in charge of this bill that that should be closely linked up with his bill, and it should be made possible to grant these concerns encouragement by helping them in their endeavour to expand. The same thing applies to other projects. Just recently a new firm, a paint concern, was established in New Glasgow, in Pictou county, with orders waiting to be filled amounting $100,000. I think the minister should encourage that firm by helping them to expand. I refer to Tippets Paint Company which was recently started. I mentioned other firms when I was speaking the other day, and I do not wish to go over them now.

In brief, I am in accord with the remarks made by the hon. member for Cumberland and the hon. member for Cape Breton South in regard to the necessity for greater attention being paid to the maritimes. May I say to the minister, knowing that he is friendly towards our part of the country, that I feel that he would take the broadest interpretation. I used this thought the other day, and I think the same thing could fit into this picture. I said that when applications are made for loans, they should not be treated in the old traditional manner—where the test was: is it a good loan?—but should be dealt with on the basis of the purpose for which the loan is to be used. I say the same thing applies here. When an application for a permit is made from the maritime provinces, particularly from Nova Scotia, I say the guide should not be that the permit is granted on the basis of equality with other parts of Canada but should be on the basis of what good will the granting of that application result in, so far as Nova Scotia is concerned, in helping out the employment situation.

Mr. COLDWELL: I have been sitting here patiently, Mr. Chairman, and I thought perhaps I might defer what I am going to say until a later stage. Since the minister said we were free to discuss his opening statement, I want to say one or two things about another matter. Before doing so, however, may I say that I agree completely with what has been said by hon. members from the maritime provinces as to the necessity for distributing industry more widely across Canada. That

applies not only to the maritime provinces but to western Canada, and particularly to the prairie provinces. The figures read in this house by the hon. member for Cape Breton South emphasize that, instead of concentrating everything in the two central provinces, we should spread it out. I see the hon. member for New Westminster in his place. I well remember a discussion in the war expenditures committee when the establishment of an industry on Vancouver island was suggested because of the iron ore and coal there, and we were told explicitly that there was enough plant in eastern Canada and that, therefore, there was no necesity of developing those resources on Vancouver island. Yet since then, of course, we have had quite a large expansion of that industry in eastern Canada largely, as my hon. friend just pointed out, through accelerated or special depreciation.

I want to say something about the film industry. A few minutes ago the minister said one of the categories we are considering amounted to four or five hundred thousand dollars. Here is an industry to which I think more attention should be paid by the government because, as the minister pointed out in his opening statement this afternoon, it does not involve four or five hundred thousand dollars, but literally millions of dollars that flow from this country, largely to the United States. It is all very well to say that people's habits are pretty well fixed in connection with moving picture theatres. That may be so, but in the last couple of years we have seen that people can enjoy a new type of film. I noticed that the other evening the hon. member for Vancouver East spoke of the Eagle-Lion films that were coming in from Great Britain, made by the Arthur Rank organization, and how enjoyable they were. I do not think we have seen anything in the film industry in recent years to equal "Henry V," produced by that corporation. Some other Odeon films I have seen in which appeared James Mason and others, in my opinion were top-notch and free from much that is objectionable in some of the films we get from the other side of the line.

I believe the government and the country must give some consideration to ways and means of reducing the drain of United States dollars in this particular field. I have before me a publication issued by the Dominion Bureau of Statistics entitled, "Motion picture theatres, exhibitors and distributors in Canada, 1946." In the general summary it shows that the box-office returns of motion picture theatres in Canada in 1946 amounted to $74,941,966, the highest volume of business on record, and that there was a net increase of 154 theatres over 1945, making the total number of theatres in Canada 1,477. I may say that at a time when we were short of material for the construction of homes that seems a very large number of theatres to be built in one year. Incidentally, I am told by the Famous Players people in this country that 1946 was a particularly good year and therefore should be taken as the peak; that it was likely to recede rather than increase, and I accept that statement. Of the total box-office returns, the federal and provincial governments collected $15,052,994 in taxes, leaving net receipts of $59,888,972 for the industry, and this amount was eight per cent higher than the net receipts of $55,430,711 recorded in the previous year. This is big business. Paid admissions during the year at the 1,477 theatres numbered 227,538,798, again an increase over the previous year of about six per cent; and incidentally the report says these figures do not include what they call drive-in theatres, for which no figures are available, or itinerant exhibitors, but they do not figure in what I have to say.

The point I am getting at is that fifty per cent of the 1,477 theatres were owned by individuals or firms operating only one theatre, and these houses accounted for only 19·2 per cent of the net receipts and 21·5 per cent of all theatre attendance. Theatres operated by firms owning from four to nineteen theatres comprised 11·7 per cent of the total number and had 11·9 per cent of the total receipts and 12·8 per cent of admissions. Twenty-five per cent of all theatres were operated by firms owning twenty theatres or more, and these obtained 59 per cent of the net receipts and admitted 56·3 per cent of all the persons attending motion picture theatres. The remainder of 13·1 per cent of the theatres were owned by firms owning two or three theatres, and these accounted for 9·5 per cent of total receipts and 9·4 per cent of total admissions.

In his opening statement this afternoon, speaking from memory I believe the minister spoke of some $20,000,000 being spent in film rentals and so on.

Mr. HOWE: No. Just to keep the record straight, the balance of payments taken out of the country was $20,000,000, of which $17,000,000 was taken out in United States funds and $3,000,000 in sterling.

Mr. COLDWELL: The balance of payments, including film rentals and so on, was $20,000,000, of which some $17,000,000 was in United States dollars. I think almost every nation faced with the position we are faced with today has had to take some effective steps to meet the situation. We know Great

Britain has done so. We know France has done so, as well as Norway and Sweden and, most recently, Czechoslovakia. They have endeavoured to find a way of meeting this drain on dollars. I listen to the Canadian actors who perform on the radio on Wednesday evenings, and on "Stage 48" on Sunday evenings, for example. I think the people who produce those programs on the Canadian radio have shown that Canadian dramatic art can reach a very high level. A week ago last evening a Canadian novel "Hetty Dorval" was dramatized. The drama was written by a Canadian associated with the broadcasting corporation; it was played by a group of Canadian actors, and I believe that play would compare with anything I have ever heard over the radio. That shows we can do these things in this country if we will. I do not know whether it is the fault of people who have failed to invest in this kind of thing in Canada that we have no national film organization.

Personally I should like to see a public authority similar to the radio corporation do something in the way of presenting full-length films of Canadian life. I am sure objection would be raised to that immediately. Some might say that could be used as a propaganda weapon. Today the national film board produces a number of excellent shorts and is performing a good service. This afternoon the minister spoke of the wonderful settings available in British Columbia for the making of films, and he referred also to Quebec. Let me say to the committee that other parts of Canada also could provide not only the settings but the stories as well. I know that wonderful stories could be told about the early pioneers in Quebec, and the same could be told of Ontario. The settlement of the prairies, from 1882 on, is an epic story that has never been told and may never be well told. The point is that if it is told, and if a Hollywood film company comes into Canada to do the job on one of our Canadian scenes, it will do it in the Hollywood fashion—one which is not always acceptable.

But, apart from that altogether, except for the hiring of a few extras who may assist in the making of the film in Canada, the whole of the rental of the film will accrue to United States interests. I should like to see something along the lines of what the British are doing, or what some of the other countries are doing. We should endeavour to get a quid pro quo, so that in this country, either through the national film board or, if you like, through the enterprise of Canadian people, we should make a few films dealing with Canadian life and thereby save the drain on United States dollars. One has only to read this publication by the Dominion Bureau of Statistics and look at the books I have mentioned to realize the truth of what I say. Or, if one really wishes to read the story as it has been written by a man who, incidentally, does not share my political views at all, and who writes purely from the point of view of free enterprise, he should read a book entitled "The First Freedom" by Ernst, which is now available in the parliamentary library. That is a story of the films, press and radio, and a plea for the restoration of private enterprise in those fields. I approve of much of what he says, of course, because he exposes the manner in which great monopolies have been building up in these educational fields. And if one reads this book, as I have read it, particularly the section dealing with the film industry, he will realize that until we make up our minds that we are going to do something to deliver ourselves from the control of the moving picture industry exercised by a single group of people in the United States through their ownership of numerous theatres, and to protect the drain on American dollars, we shall not have accomplished much. In December, after I had made a speech dealing with this particular problem, in which I said: "Why should we prohibit the importation of citrus fruits and neglect this big film field altogether to save United States dollars?" I was informed that the annual exchange cost of the film industry was $10,000,000, not $17,000,000. The figure I quoted originally was about the same as that quoted by the minister today, or within a very small amount of it.

Certain film interests in Canada wrote and told me I was wrong, and that if I had made all the deductions I should have made it would bring it back to about $10,000,000.

Mr. HOWE: The $10,000,000 is for film rentals.

Mr. COLDWELL: The amount I gave was not for film rentals.

Mr. HOWE: The $10,000,000 is the figure for 1947 for film rentals.

Mr. COLDWELL: They contend that is all we should count in. But supposing they are right; $10,000,000 is one of the largest categories in these schedules. It is a large drain on our currency. I say that in the exercise of his powers under schedule III the minister should give more thought as to ways and means and should study what has been done in Great Britain, in the Scandinavian countries, in France and Czechoslovakia, with a view to

seeing how we can protect our flow of dollars away from Canada through this particular industry.

Mr. REID: While I am in agreement with much of what the hon. member says, a statement was made a short time ago that most of the British films were controlled by Hollywood capital.

Mr. COLDWELL: I cannot say whether or not that is so. But I believe it is true to say that the showing of British films in Canada and in the United States, and of foreign films generally, is controlled by those people who control the bulk of the theatres in the United States and Canada; and they, of course, are Hollywood interests. So that, in reality, perhaps there is some truth in that statement. The minister says we should stop building theatres during this time. I agree with him. According to these figures, 154 were built in 1946, and I think that was too many. But if leniency is to be shown, then I suggest that it should be shown toward any organization which is trying to build theatres to give competition to this tightly owned industry in Canada, and that that should be encouraged. If we are to exercise discrimination, let us exercise it in the right way. The only thing I am doubtful about is as to whether I am correct in this, because I see the hon. member for Muskoka-Ontario applauding me when I say that.

Mr. MACDONNELL (Muskoka-Ontario): I am applauding the word "competition".

Mr. COLDWELL: My hon. friend's applause makes me doubtful as to whether I have said the right thing. However, I have said what I intended to say.

I know that this is an industry in which great interests are involved. I do not want to see Canada play into the hands of any particular interests. This is an industry in which I believe there should be competition, whether that competition is encouraged by the government or is undertaken by private people; because, in the realm of education, competition is, I believe, a very good thing.

Mr. MITCHELL: That is good socialism.

Mr. COLDWELL: I believe in the right kind of competition. My main criticism against this whole system in Canada is that it is throttling competition and building up great monopolies. It prevents the average man from getting the opportunity to live a full and free life. In a time of depression, what chance has a gifted fellow who must dig ditches or who has to go on relief, to develop his individuality? Too often we have consigned large numbers of our men to that kind of relief, where they are regimented, where there is no opportunity for their personalities to develop or to express themselves properly.

Mr. HOWE: If we might get back to the item under consideration, I believe we should do so. We have had two hours of general discussion; surely that is sufficient.

Mr. COLDWELL: The minister invited us to express ourselves as to what he said earlier, and I took my opportunity.

Mr. SKEY: Before returning to the item might I say I found the remarks of the hon. member for Rosetown-Biggar most interesting. In his words I found a defence of private enterprise when he referred to the development of Canadian industry, and made mention of competition. That was certainly most encouraging; perhaps some of the things we have said are taking effect.

I should like to endorse many of the things the hon. member said about United States films. Perhaps he has not seen the statement made by Sir Henry Wood who said, upon leaving Hollywood, that Hollywood was a national disaster greater than world war II. He said it was a collection of ignorant men who ran the industry for the benefit of unhealthy women. I would not go as far as that, but I think we are subjected to a tremendous amount of propaganda which is not altogether healthy as far as Canada is concerned.

I was most interested in the minister's remarks to the hon. member for St. Paul's when he said that, in so far as Bill No. 3 was concerned, the doctrines of the Liberals and the Conservatives differed materially. I do not want to get into an ideological argument with him, but I would suggest that the hon. member's point was well taken. He suggested that the items in schedule III should be either removed to the tariff schedule or dropped altogether as soon as possible, so that business would know whether it was to have protection or whether it would have to compete with imports.

I suggest that there is no need to apologize for a policy which might be called protectionist. As the hon. member for York West has said, this exchange difficulty is chronic. So far as Canada is concerned, we stand it off for a while and then it builds up again. That has been our history for quite a long time. I thing it would be a wise policy on the part of the government in protecting Canadian industry, to let industry know as soon

as possible whether the items under schedule III are going into the tariff schedule or are to be dropped altogether.

Any industry which might develop under an embargo should be given a chance to prove itself. As the minister is aware, a new project starts off with high costs and high capital expenditures. However, no one can tell what good management or the substitution of certain materials will do in a new business. It is possible and quite probable in many cases that, while a new business will find that they cannot be competitive immediately, they may, through substitution or able management or the use of new processes, be able to reach a competitive position. They might conceivably even become exporters. I strongly urge the minister not to apologize for this policy. We should try to develop every possible industry in the country even if it is necessary to give it protection during its initial period.

Mr. JACKMAN: The minister said that the amount of royalties going to the United States in connection with the motion picture industry was $10,000,000, while the total balance of payments in favour of the United States was $17,000,000. How is the $7,000,000 made up?

Mr. HOWE: Property earnings and earnings of theatres.

Mr. JACKMAN: Dividends?

Mr. HOWE: Yes.

Mr. JACKMAN: The hon. member for Rosetown-Biggar and myself are so much alike on this motion picture matter and, since I raised it and he endorsed it, I feel that perhaps one of us might be wrong. Could the minister give us, within reason, some indication of how Canada will benefit from the deal he is making with the United States motion picture interests? I do not want him to say anything which might prejudice his negotiations, but the committee is being asked to accept his suggestion that if we allow this item to remain in full force and import all the United States moving pictures that we want, there will be a quid pro quo. I am thinking of what happened in the United Kingdom and other countries which formerly imported United States moving pictures.

The $17,000,000 or even the $10,000,000 which the United States film industry is now getting from Canada is of tremendous importance to them because it goes into their earning account. I should think they would be willing to spend from their operating account an equivalent amount of United States dollars in Canada. I think the committee is entitled to know how much we are likely to expect from the quid pro quo which the minister mentioned. Will it be more than $17,000,000 or substantially less?

Mr. HOWE: The only value of the quid pro quo would be to reduce the balance of payments figure. In other words, instead of $10,000,000 going across the line, we hope to have money coming back as payment of services and that would reduce the amount. This bill has only one object, the saving of United States dollars. It is not intended to change the morals of the country or anything else. It is just as simple as that. Our efforts are being directed towards achieving a quid pro quo which will cut down the balance of payments.

Mr. JACKMAN: One hundred per cent?

Mr. HOWE: The objective may be that but we may settle for less.

Mr. JACKMAN: In his general statement the minister said that last year there was spent in Canada $2,400 million for capital equipment and machinery. Had his department made any estimate of the additional United States funds that came into the country by reason of the exports which flowed from the use of that increased capital? In other words, is it more than self-supporting because of the additional exports which are possible?

Mr. HOWE: We cannot tell that with any accuracy; it would take a most elaborate computation. You would have to make an analysis of every new industry, and some of it is not in the form of productive investment. It would be quite impossible to gauge that. In the first place, the 1947 investment is hardly yet in production. For instance, how are you to decide what a highway system contributes directly or what a public utilities system contributes? The indirect returns are very great, but how can you estimate the other?

Mr. JACKMAN: I was thinking of the pulp mills and other projects which have been put up in this country and which must bring in a lot of revenue.

Mr. HOWE: If you name the industry or the investment we can make an analysis, but I do not think you can ask me to give the over-all picture.

Mr. JACKMAN: Will the minister state whether the policy of the government is to welcome capital investment in Canada at the present time by the United States?

Mr. HOWE: Broadly stated, I should think so. It depends somewhat upon the use to which the capital is to be devoted.

Mr. JACKMAN: What has been done to stimulate exports to the United States under the changes in the tariff? For example, I understand that we could export high quality steels which contain alloys. However, there is a duty on alloys coming into this country which raises the cost. I have not gone over the various tariff items which might influence the cost of our exports, but would the minister say a word or two on that?

Mr. HOWE: Perhaps my hon. friend has not heard about it, but there was a most intensive examination of the tariff at Geneva a short time ago. Adjustments were made on the tariff into Canada and out of Canada and it is now much easier to do business across the border than it was before. I do not think we could suggest three months after, that we start immediately to make another change.

Mr. JACKMAN: I do not know whether the minister understood exactly my question. A company making tool steel, for instance, could make varieties which require alloys and export them to the United States but, there being a tariff wall against alloys entering Canada, I understand, that raises the cost of the Canadian finished product so that it cannot compete in the United States market. It is within our own jurisdiction to lower our own tariff against these alloys if we care to.

Mr. HOWE: If alloys are brought in to go into steel that is exported the cost of the alloy which is exported is refundable, so that it does not enter into the transaction. My hon. friend is talking about a wholly fictitious transaction. Any export is entitled to refund of any duty that went into its manufacture.

Item agreed to.

Customs tariff—378. Bars and rods, of iron or steel; billets, of iron or steel, weighing less than 60 pounds per lineal yard: (a) not further processed than hot rolled, n.o.p.; (b) not further processed than hammered or pressed, n.o.p.; (c) cold rolled, drawn, reeled, turned or ground, n.o.p.; (d) hot rolled, valued at not less than 4 cents per pound, n.o.p.

Mr. TIMMINS: We are starting now on the steel and iron items; and, having regard to the minister's statement a moment ago that the only objective of this bill is to save United States dollars, I should like to know what the iron and steel imports are under this item from the United States in 1947 and what we expect to save in 1948 and the years to come. My information is that under item 378 we do not import any steel or iron from the United States and that most of this steel and iron is produced in Canada. If that is so, why does item 378 appear here at all? Why do we have administration expenses in connection with this item? If my information is correct it follows, of course, that there is no saving in United States dollars under this item at all. If I may be permitted a little latitude, Mr. Chairman, items 388, 388a, 388b, 388c and 388d have to do with structural steel, and when we reach them I shall ask the minister how much steel we imported under these items from the United States last year and how much we expect to save this year. Over and above all that, my information is that except for a very few iron and steel items in this schedule the greater proportion of steel and iron enters Canada not subject to schedule III at all.

A few minutes ago the minister said there was a shortage of steel in every industry in Canada, so, that probably with respect to item 378 and all the other steel and iron items the government is putting no restrictions on their import, but we are prepared to receive every ton of steel and iron that we can get from the United States, and we shall continue to do so in the years to come because we are entirely dependent on steel and iron.

To get back to item 378, what, if any, steel or iron shall we bring in under this item in 1948, and how much will the saving be. As I see it, I can see no saving here now or for five or six or ten years to come. We have heard a lot about saving the United States dollar. Here is a good opportunity for the minister to throw some light on this item and on the steel situation generally.

I want to make one other suggestion in a general way. We have been dealing with the motorcar industry. What are to be the regulations with respect to steel? What is to be the governing principle and the method to be followed? If the minister can give us a picture of the general steel situation, starting off with item 378, it will be helpful.

Mr. HOWE: This is a perfect example, Mr. Chairman, of a speech which could have been saved if my hon. friend had allowed me to answer his first question. The imports under item 378 last year amounted to $6,499.000. He asked how much we expected to save. We do not expect to save anything. In fact it is doubtful that we shall proclaim item 378, although we may do so if the steel is being diverted to uses that are not helpful in the present situation.

Mr. TIMMINS: You may put it under open permit.

Mr. HOWE: Probably not require a permit. Under item 388 we imported last year, of angles and beams, $8,097,000. There again it is doubtful that we shall make any saving

whatever, but we put it under permit to make sure that angles are used for the purposes we wish to encourage. The same is true of shapes, thirty-five pounds per yard and over, of which we imported last year $585,000. That is a type and shape not made in Canada. There will probably be no savings under that item, but we shall make sure that the shapes are used for the purposes we wish to encourage. In respect of the last item, beams, we shall make no savings, but we wish to make sure that it will be used in useful projects.

Mr. TIMMINS: You have a steel controller. Could that not be done under him?

Mr. HOWE: The steel controller can and does control steel manufactured in Canada, but anyone who is able to buy steel in the United States can bring it in at the moment and do what he likes with it, and he is apt to use it for purposes not considered desirable. But when the item is proclaimed a permit will be required and any steel imported will be under the same control as Canadian steel. That applies pretty well to all the steel items. We are short of steel in this country. We have not enough and are not able to import enough to carry on the business of this country. If we could get another half a million or one million tons of steel a year it would help Canadian industry very much. We are trying to get control of imports of steel to divert it to essential uses.

Mr. MacNICOL: Do we make wide plates in Canada and, if so, how wide?

Mr. HOWE: We make 56-inch plates here.

Mr. MacNICOL: That is not big enough. That does not make large tanks. If the country can only get going again I am satisfied that the demand for steel will greatly increase. I have been in that business for years and know something about it. Ever since I came here I have advocated that all this material should be made in Canada. The minister closed his remarks a moment ago and said that we were not able to make sufficient steel in Canada. I have been hoping that in his own riding or in the adjacent riding a steel plant will be erected. The minister knows as well as I do that 140 odd miles west of his city they are producing a very high grade of iron ore. I have a piece of it in my desk that I got there myself. It is a most excellent iron. A lot has been said about Labrador. I hope Labrador pans out in accordance with all that has been said about it, but we are producing a very high grade ore at Steep Rock —there is no higher grade produced anywhere else today—in or adjacent to the minister's own riding. Is it in the minister's riding?

Mr. HOWE: It is in Kenora-Rainy River.

Mr. MacNICOL: It is not far away, only 140 miles west. Now that the minister is in charge of the production department, I hope that in some way or another he will bring about the erection of a steel plant in Port Arthur or Fort William, so that that very high grade iron ore—every pound of which is now being shipped out of Canada, with the exception of the very small amount that may go to Sault Ste. Marie for the blast furnace there—may be smelted in one of those cities and rolled into steel of all descriptions, including plate.

Earlier this afternoon an hon. member mentioned the big steel plant at Sydney. It seems to me I have read that, since the war ended, they are not rolling steel as they did while the war was on. That was plate steel, was it not, for ships?

Mr. HOWE: Yes.

Mr. MacNICOL: If that is so, it is too bad. If the plate rolling mill at Sydney is closed up or is not operating, it is just too bad for the maritime provinces where they need employment, and where the steel could be turned into ships that will be built because Canada will go along rapidly some time or another. If it ever gets on the way again it will go along rapidly. We have a blast furnace in Montreal; we have none in Toronto. We have two in Hamilton; the Canada Steel Company and the Dominion Foundries and Steel. Some few years ago they started to build a steel mill at Ojibway near Windsor, Ontario. They built two blast furnaces, but they were never used. They are still standing, although they may be obsolete today.

Since there is such a demand for steel in this country, I hope that the minister will use all the influence he can to help build up blast furnaces and steel mills in this country to roll the billets and so forth from Canadian steel. If the time ever comes when the Labrador mines are in operation shipping raw iron, perhaps there will be a great opportunity for a big blast furnace in Quebec. There should be one there. Three Rivers would be an ideal place for a blast furnace. The production mill could be either there or in Montreal. We could then make all these articles which are made from steel.

I understand that H-sections are barred. Is that so?

Mr. HOWE: No. H-sections come in freely. They are not prohibited.

Mr. MacNICOL: The item says differently.

Mr. HOWE: That item in the tariff does not include H-sections; it comes under another tariff item.

Mr. MacNICOL: At present we make H-sections out of beams and other parts. I do not believe we are rolling H-sections, are we?

Mr. HOWE: No.

Mr. MacNICOL: They have to be imported?

Mr. HOWE: That is right.

Mr. MacNICOL: I notice that last year we imported altogether $762 million worth of these products. That is a colossal business. Certainly we ought to be able to save several hundred millions of United States dollars there if we got busy and equipped our own plants to roll the steel that is required. In that way we could use up some of the high grade ore which is now going out of the country. Is it necessary to let it all go out of the country?

Mr. HOWE: I would not worry about that. On balance we are terrific importers of iron ore; we import ten times as much as we export.

Mr. MacNICOL: This year I suppose Steep Rock will produce one and a half million tons of ore. Last year they produced one million tons or more. Their objective is three million tons. Three million tons of high grade ore smelted with lower grade ore such as is produced on the Algoma Central railway at New Helen mines would mean a large tonnage.

As I have said before, I am looking to the minister to do something in this regard. He is one in the cabinet who has had business experience in a practical way in industry. I do not mean in a legal way; I am talking of things in big industry, in big works. I look to him to do a job for this country. As I said in the session before Christmas, steel is one department in which the minister has a job to do. I am sure I could do a job in it. I will bet any reasonable amount that I could develop in this country a steel industry of considerable magnitude. I know about steel and iron. Since we have the raw ore, it should be second nature to us to roll it and produce all the products that are required. I will help the minister in any way I can to develop a steel industry that we should have in this country. We should cut off entirely at least half of the $762 million worth of steel materials that we now import. We should manufacture $381 million worth of it in Canada by Canadian workmen.

[Mr. MacNicol.]

Mr. TIMMINS: We are breaking some new ground here. According to the last answer of the minister, Bill No. 3 was supposed to be a United States dollar saving device. But the very first item that we struck in respect of steel is item 378 which reads:

Bars and rods, of iron or steel; billets, of iron or steel, weighing less than 60 pounds per lineal yard.

In respect of this item we imported $6,496,000 worth in 1947. There is no saving at all. There will not be any saving this year, next year or, I predict, for a good number of years to come. I think the minister is not taking the committee into his confidence and he is not taking the people into his confidence when he attempts to say to us that, in respect of this steel industry, we are making a saving. I should like to develop that after six o'clock.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The DEPUTY CHAIRMAN: We are considering item 378. Shall the item carry?

Mr. TIMMINS: To continue with item 378, there is one thing the members of the committee now know and it is that there will be no saving of United States dollars on this item or, in fact, on any other steel item in schedule III. It occurs to me that item 378 is either superfluous or is being used for a purpose for which it was never intended. If I understood the minister properly, he says that the item may not be proclaimed. But we should know now, if it is to remain there, what purpose it serves. Through you, Mr. Chairman, I shall recommend to the minister that the item be dropped. If we look at the order in council, P.C. 4678 we find that appendix IX sets down in a blanket way the items which are to be dealt with under this permit system, and now they have all been set out in detail in schedule III. So it is perfectly clear that item 378 was put there with a purpose. I am asking the minister now what this purpose is, why it should remain there, and why it should not be dropped.

Mr. HOWE: The reason it is included is that it may be desirable to channel these imports into useful lines. As I stated before, we are short of steel. We are hoping to get more steel. If this item gets larger instead of smaller, that will suit us very well. But

it may be desirable to see that the steel we can get goes to useful projects rather than to doubtful ones.

Item agreed to.

Customs tariff—388. Iron or steel angles, beams, channels, columns, girders, joists, tees, zees and other shapes or sections, not punched, drilled or further manufactured than hot rolled, weighing not less than 35 pounds per lineal yard, n.o.p.; piling of iron or steel, not punched or drilled, weighing not less than 35 pounds per lineal yard, including interlocking sections, if any, used therewith, n.o.p.

Mr. TIMMINS: With respect to items 388, 388a, 388b, 388c and 388d, perhaps the minister would not object if they were spoken to in a general way at one time. As I understand it, they represent structural steel, and structural steel is one of the elements which the minister tells us are to be handled under the project system. We are short of steel in Canada; we are short of structural steel; and I believe we import most of it from the United States. We depend upon them for our supply of steel. But when an owner or proprietor of a project or company comes to deal with the manufacture or the building of whatever it may be, he is now compelled to write to the minister setting out the proposition, saying, "We want to go ahead with respect to this project". The minister writes back, in practice as he did in that Toronto board of education case we heard about this afternoon, and he probably says to the applicant, "Have you considered the use of cement or some other commodity"? It may be that the applicant says, "Well, I cannot use cement or I cannot use some other commodity; I must have steel in such and such a quantity". What is to be the final outcome of the matter? Can the applicant proceed with his job, or is he to be stifled? Is the word of the minister with respect to the project to be taken ahead of that of the applicant who knows what his economic purse-strings are and who knows how far he can go with the project? If, as a matter of fact, the minister is to have the power of life and death over the project, has he or is he to have at his side experts, such as engineers and architects, who will say; "No; steel should not be allowed for this project" or, on the other hand, "Yes, steel should be allowed"? If the minister is to have experts, then of course, it is the case of a clash between the applicant for the material for the project and the engineers who sit at the minister's side. Through you, Mr. Chairman, I should like to ask the minister whether or not there is to be an expert department which is to decide these matters of life and death in the industry.

My next thought on the matter is this—

The DEPUTY CHAIRMAN: Order. Before the hon. member proceeds, there is something I should like to have clear. The hon. member for Parkdale has suggested that we deal with these items, 388 down to 393, I think at the same time.

Mr. TIMMINS: No, Mr. Chairman.

Mr. HOWE: Down to 388d. Well, he can take 388e too, if he likes. Those are structural steel items. There is no objection to discussing them as a group.

The DEPUTY CHAIRMAN: As long as the committee understands what we are to do it is all right. If it is agreeable to proceed as the hon. member has suggested, we shall do so.

Mr. TIMMINS: I suggested speaking to items 388a, 388b, 388c and 388d. I think 388e is in a different category.

Mr. HOWE: That is right.

Mr. TIMMINS: I just wanted to make that clear.

The DEPUTY CHAIRMAN: Then we are dealing with the items down to 388d.

Mr. TIMMINS: Yes. I take it that the minister, when he speaks, will say, in so far as these four items are concerned, there will be no saving on steel in 1948, 1949 or 1950. So that, if this project system is to continue, as a matter of fact we are talking about a long-term, long-range policy, and that long-range policy is not to be for just five years or ten years; it may be for twenty years; it may be for the rest of our lifetime, or it may be for the future of Canada. The point I am trying to make with respect to these sections is that, as a matter of fact, there will be no saving this year or in the years to come, or not for a good number of years in the future. The minister will probably say, "Well, I intend to put that steel to work in projects where something will be produced which will be sold in the course of time in the United States and will bring us in United States dollars". I am asking the minister to let us know what those projects are, and what regulations are to govern in respect of those various items. I think I will stop there for the moment.

Mr. HOWE: If a project comes forward that is otherwise a desirable one but is using structural steel unnecessarily, the project will be approved, subject to the substitution of a Canadian product for the structural steel. The department has competent engineers who are as well able as anyone else to judge whether that substitution is possible; and if

the owner is not willing to make the substitution, then, as my hon. friend puts it, he will be stifled.

Mr. TIMMINS: Through you, Mr. Chairman, may I ask the minister a direct question? Does the department intend to set up a group of engineers to sit at their elbow and advise on these projects?

Mr. HOWE: The department has now, and has had for years, a group of engineers; and it will be using them for this particular purpose.

Mr. TIMMINS: Are they in the Department of Trade and Commerce?

Mr. HOWE: No; in the Department of Reconstruction and Supply.

Mr. TIMMINS: That brings in another department. This is all under the Department of Trade and Commerce. Does the Minister of Trade and Commerce mean to say that, in order to carry this thing through, he must bring in another department to work out these details? Does he feel that his engineers are more competent to deal with these matters of whether there shall be steel or there shall not be steel than the architect for the party who is putting up the money to build the project?

Mr. HOWE: This particular program happens to be in the Department of Reconstruction and Supply at the moment. Therefore we use the officers of that department, and in addition we borrow officers from the Department of Trade and Commerce if we need them; both work as one department. We believe our engineers are competent to decide whether concrete can be used instead of structural steel. I have spent most of my life in making such decisions, and I think I am still capable of making them.

Mr. TIMMINS: I stated a moment ago, and I should like the minister to tell me if I am wrong, that in respect of his long-range policy, if he is to make it work this thing will be going on for twenty or twenty-five years, and it is possible that neither the minister nor I nor quite a number of us who are here today will be here at that time.

Mr. HOWE: If neither of us will be here, why worry about it? Let the next generation worry.

Mr. TIMMINS: But this is a turning of the road. If I may say so, this is an inverted form of socialism; and if you are not here next year—and I am not suggesting you will not be—we may not have a man who knows all about concrete in charge of these matters.

[Mr. Howe.]

Mr. HOWE: I thought probably you would succeed me.

Mr. MACDONNELL (Muskoka-Ontario): It was a matter of interest and surprise to me to learn, as I understand the minister stated this afternoon, that under these four items there will not actually be any saving in money, because, as a matter of fact, we need all this steel we can get. So that this bill takes on an entirely different complexion. In introducing this measure, and referring to the controls under schedule III, the Minister of Finance said, as reported at page 335 of *Hansard* for December 16:

> This control also involves examination of methods to reduce the net dollar deficiency resulting from many of our industrial operations.

Will the minister tell me whether I am correct in understanding that this has now ceased to be a matter of conserving United States dollars, but that it has now become a means of deciding how this material is to be used? In other words, it is a new control on industry that has nothing whatever to do with saving United States dollars. Is that correct?

Mr. HOWE: It may be correct, but it has a great deal to do with earning United States dollars. This is the raw material of industry. If it is possible to buy steel at $80 a ton and sell the finished article at $1,000 a ton that is one way to increase exports.

Mr. MACDONNELL (Muskoka-Ontario): I am not denying that statement, but it seems to me that this gives a very curious, unexpected and unintended, as far as I was concerned, use to this act.

Mr. HOWE: Very logical, though, is it not?

Mr. MACDONNELL (Muskoka-Ontario): Does the minister now suggest that the scope of this act is not merely to say, "We will cut down purchases from the United States," but that in addition you may say, "We will bring in certain things from the United States which will not result in any saving, but by our wisdom we will so direct them that they will contribute more United States dollars"? Is that what the minister is saying?

Mr. HOWE: Quite.

Mr. MACDONNELL (Muskoka-Ontario): At the moment I do not say whether that is good or bad in itself. It may be good, but it is certainly an unexpected result under this act.

Mr. HOWE: Well, I am sorry to surprise my hon. friend.

Mr. MACDONNELL (Muskoka-Ontario): Perhaps I am not the only one to be surprised.

Mr. TIMMINS: Referring to what the minister had to say this afternoon with respect to new industries, I am interested in having the minister develop that point for a moment. He suggested that new industries coming along which might want some of this steel would have more or less to prove themselves to him or his department; in other words, that they would have to show they would be able to compete with other industry in the country. I take it that is simply making a monopoly of the industries already in existence. I would ask the minister to explain if that is not so, if we are not creating monopolies under this bill instead of helping the industry of the country?

Mr. HOWE: What monopoly is my hon. friend suggesting we are creating? Name one.

Mr. TIMMINS: I am only following up what the minister had to say. I understood him to say that if a new industry wants to commence operation; if it wants to build a mill to carry on a new project, he will have to know that it will be able to compete with other companies in the same line of business; otherwise it will not be able to start. What is that but a monopoly?

Mr. SKEY: Would the minister say whether he expects to be able to follow this program through with the present staff of trade and commerce and reconstruction and supply, or will he need additional staff?

Mr. HOWE: It is not anticipated that any great additional staff will be needed. We may need the odd man; but, as at present contemplated, it is not thought there will be any substantial increase in the combined staffs.

Mr. MACDONNELL (Muskoka-Ontario): I am informed that a good deal of this material, particularly under item 388b, is ordinarily dealt with through distributors in the industry. Will the minister say if that is correct?

Mr. HOWE: That is correct.

Mr. MACDONNELL (Muskoka-Ontario): So that, particularly under item 388b, the stuff would come in and would be handled by a distributor, from whom it would be obtained by the ordinary consumers, many of them small people such as blacksmith establishments in small towns and that sort of thing, I presume? Will the minister say whether that is correct?

Mr. HOWE: Yes.

Mr. MACDONNELL (Muskoka-Ontario): Then will the minister explain how the permits will be worked? Is there to be a permit to the distributor, and will he then allocate it to the trade; or has he to satisfy some government authority as to the propriety of every small bit of material he furnishes to the trade?

Mr. HOWE: The process is just being worked out. It is probable that the distributors will receive blanket permits, and will be required to account for the steel they import. If some of their steel turns up in a project which has not been authorized it will be just too bad for the distributor.

Mr. TIMMINS: As I understand the minister, right now all these twenty-eight fabricators of steel in Canada, if that is the number, are getting their steel and ore from the United States without a permit?

Mr. HOWE: Yes.

Mr. TIMMINS: But as I understand it, and the minister will correct me if I am wrong, when they come to deliver that steel, or to accept orders for it, those orders will have to be screened by the minister or his department, so that he will say, "You may send that steel to this project," or "You may not send it." Am I right in that?

Mr. HOWE: That is right.

Mr. TIMMINS: So, as a matter of fact, these four items do not mean a thing at the present time as far as the importation of steel from the United States is concerned? The steel is coming in anyway, whether or not these sections are here?

Mr. HOWE: But may I point out to my hon. friend that I have no legislation at the moment which allows me to interfere with it. When you get through debating this bill, perhaps I can start.

Mr. TIMMINS: That is not being fair, if I may say so.

Mr. HOWE: Of course it is.

Mr. TIMMINS: The minister has had power since November 18, under order in council 4678. He cannot deny that appendix IX gives him all the power he needs. The only thing is that all these things are not enumerated. I am putting it to the minister that he is in an awful hurry to do something which may take, ten, twenty or thirty years to carry through. As a matter of fact, he should not be in a hurry at all about this matter. This has to do with the whole future of this country; and he should be telling the committee as he reluctantly told us with respect to the automobile industry, what the regulations will be and how it will be worked out.

With respect to the steel industry, which is probably the most important factor in the whole bill, so far as the building of Canadian industry within our own country is concerned, I suggest that the minister should tell us at this time upon what formula we are to work, so that we may know, so that the public may know and so that industry may know. Will the minister bring forward formulae outside these project applications his department has prepared, so that we may know where we are going?

Mr. HOWE: I will bring forward formulae. I have brought forward formulae for the automobile industry and, if my hon. friend will get on a bit with this thing, I will bring in other formulae. And I have given my formula for structural steel. It will be allowed to come in fairly freely, but the use of it will be restricted to approved projects.

Mr. TIMMINS: Evidently, from the minister's speeches, this is something which will be handled with the co-ordination of industry. I believe that is the expression he has used. I suggest there is no rush about this matter, so far as steel is concerned. We are not going to save any money for—

Mr. HOWE: We are not rushing, are we? I would not worry about that. We have been three months on it now.

Mr. TIMMINS: I suggest to the minister that he ought not to be rushing us in respect of these items until he has formulated some sort of regulations or policy. It may be that the proper thing for the minister to do would be to get rid of all this red tape he has already set up in the motorcar industry. Perhaps these various projects should be handled on some percentage basis.

Mr. HOWE: Perhaps my hon. friend had better forget the whole thing. He obviously has learned nothing from this debate up to the present time.

Mr. TIMMINS: I do not think that helps the debate any. I am sure I do not take any slaps at anybody else. I think I know something about the subject because, like the minister, I have spent most of my life at it. I do not think it adds anything when the minister takes a slap at one of the members. However, apparently the fact of the matter is that the minister is not prepared to bring forward any regulations.

Mr. MACDONNELL (Muskoka-Ontario): I will let the minister take a slap at me now. I am interested in this poor distributor against whom the minister uttered his threats.

[Mr. Timmins.]

Apparently the power the minister already has is beginning to affect him. The minister's words were, if I remember them correctly, that if a distributor who distributes material happened to supply any of it to a job for which there was not a proper permit, it would be too bad for the distributor.

Mr. HOWE: I did not say "happened to"; I said if he did.

Mr. MACDONNELL (Muskoka-Ontario): "Too bad for the distributor" were the words I took down. I am rather anxious to quote the minister—

Mr. HOWE: But you twist my sentence around. I did not say anything about "happened to".

Mr. MACDONNELL (Muskoka-Ontario): The minister can give us his meaning, and we will start again.

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

Mr. MACDONNELL (Muskoka-Ontario): I am asking the minister if he will explain this a little further, as to how this distributor is to perform. Has he to satisfy himself as to the final destination of every pound of material that goes out of his place?

Mr. HOWE: That is correct.

Mr. MACDONNELL (Muskoka-Ontario): He will be a government agent, to satisfy himself.

Mr. HOWE: And he is glad to do it.

Mr. MACDONNELL (Muskoka-Ontario): What is that?

Mr. HOWE: He says he is quite glad to do it.

Mr. SKEY: He has to be, poor fellow.

Mr. MACDONNELL (Muskoka-Ontario): That does not impress me, at all. Let us learn a little more as to how he will do it. Does that mean that in respect of everything he supplies to, let us say, a blacksmith in Huntsville, he must be satisfied that everything he supplies, however small, is permanently required?

Mr. TIMMINS: Supposing a company in Canada wishes to build a refinery to refine oil and we will suppose that company puts in an application to the Minister of Trade and Commerce. What position will the minister take in respect of providing the steel for that project?

Mr. HOWE: If the project has a project number, which I assume it would have, for the refining of oil, steel would flow automatically.

Mr. DIEFENBAKER: I have one question with regard to all these items under schedule III. Is it intended to require permits and to prevent the importation of all these products enumerated under schedule III at any one time? In other words, is there to be a blanket requirement for all the commodities or products mentioned in that schedule?

Mr. HOWE: We are not going to bring in a blanket order and apply them to all items in one day, for administrative reasons. But I would assume that over a period all of them will be brought in, yes.

Mr. DIEFENBAKER: That is one thing I cannot quite understand in connection with the minister's speech made before the manufacturers' association. He is reported, in part, to have said that it is not the government's intention to place restriction on all items at one time.

Mr. HOWE: Quite.

Mr. DIEFENBAKER: Rather, to bring under control as few of the items from time to time as will accomplish the task of restoring our foreign exchange position. So that is this clear, that while the minister will have the power to require permits for all these products, he does not intend to use that power except in regard to certain particular ones as may be designated from time to time?

Mr. HOWE: It is probable that in time, if the shortage of United States dollars goes on long enough, we shall bring them all in. But we will bring them in as administrative problems permit, and after consultation with the industries affected; which takes a good deal of time as my hon. friend knows.

Mr. DIEFENBAKER: That is a very proper answer. Then the minister must know of the particular items in schedule III concerning which he intends immediately to enforce the provisions. Has the minister made out, as yet, a list of those which will become effective immediately.

Mr. HOWE: What does my hon. friend means by "immediately".

Mr. DIEFENBAKER: Well, I do not know what the government's attitude about "immediately" is; but it is the ordinary definition, not the government's definition. Is this to be done as soon as this legislation is passed?

Mr. HOWE: Yes, as soon as the legislation is passed and approved, we intend to put in a number of items. The number is growing each day. When we have the formulae worked out for each of the various items they will be brought in.

Mr. DIEFENBAKER: You have been laying these plans since November 17.

Mr. HOWE: Yes.

Mr. DIEFENBAKER: That is three months.

Mr. HOWE: We have no legislation yet, though.

Mr. DIEFENBAKER: The fact that there is no legislation has not always had a hampering effect on this government. Three months have passed. I realize that there is no legislation yet; yet plans must have been laid within a period of three months; because, if this is to be only a temporary measure and to last only for a matter of months—to use an expression used by the minister—then surely, after three months, the minister will now be in a position, with the staff he has at his disposal, to designate which of these tariff items referred to in schedule III will immediately be brought into effective operation.

Mr. HOWE: My hon. friend has defined "immediately" as when the legislation is passed. Well, give an approximate date, so that I can work from it.

Mr. DIEFENBAKER: I can. When the minister starts answering questions and giving the committee full information, the legislation will go through. We want the information on a matter in respect of which apparently the government has been laying plans over a period of three months. In schedule III the government asks for power to require permits in respect of the various items mentioned therein. Are these items in connection with which there will be immediate priority granted and with respect to which the prohibition will apply immediately?

The DEPUTY CHAIRMAN: I should like to remind the hon. member that there was quite a lengthy discussion on the general statement made by the minister. We then discussed items 305, 306, 306a and 306b. It was then decided to go on with each item and deal with the particular item and not go back to the general situation.

Mr. DIEFENBAKER: Thank you for the ruling which is in accordance with the facts. We are dealing with items 388, 388a, 388b and 388c. Will there be immediate priority in connection with those four items?

Mr. HOWE: There will be in connection with items 388, 388a and 388b. Item 378 will not be brought in immediately.

Mr. DIEFENBAKER: What about priorities on items 388c and 388d?

Mr. HOWE: Item 388c is a large item of $117,000. Item 388d is $1,171,000. We have no plans for including that particular item.

Mr. DIEFENBAKER: The minister says that there are no plans for the immediate inclusion of those two items. Will the minister be in a position sometime during the discussion on schedule III to place before the committee the various items in the schedule which will be immediately subject to prohibition? The minister says it is not intended to bring in items 388c and 388d immediately, so that there must be some plan before the minister in regard to all the items.

Mr. HOWE: We are discussing the individual items in this schedule. If the hon. member will ask me when we are discussing an item if we are going to bring it in, I will tell him.

Mr. MACDONNELL (Muskoka-Ontario): Am I correct in understanding that there is no actual saving of United States exchange under these four items?

Mr. HOWE: I have explained to my hon. friend at least six times that this country is very short of steel. If we had another million tons of steel we would be exporting more material and bringing in more money. If we can get more steel, then these items may go up; if we can get less steel, they may go down. However, the purpose of the items is to make sure that the steel we get goes into projects which are for the benefit of this program.

Mr. MACDONNELL (Muskoka-Ontario): I quite understand that, and I understand that by the minister's adjustments we get more United States money. I am asking a very simple question. Is the actual outgo of United States exchange to be lessened by anything the minister is doing here.

Mr. TIMMINS: Will the minister tell us something on the positive side of this matter? He says that we are very short of steel, but he knows that we turn out a considerable amount of iron ore and steel in our own country. I quote from *Saturday Night* of a few weeks ago as follows:

> Most of Canada's iron ore production, which is quite high grade, is being exported to the United States in exchange for ores that can be used to greater advantage in the furnaces here. In 1945 production of iron ore in Canada, practically all in Ontario, was 1,135,444 short tons valued at $3,635,095. Imports totalled 3,739,867 tons (tons of 2,000 pounds) while exports were 771,495 tons.

In view of the minister's powers under schedule III, is he taking any part in the development of iron ore production and steel production in our own country? Could he tell us anything about the deal which I understand exists between ourselves and the United States whereby there is an exchange of high-grade Canadian iron ore for United States iron ore of a lesser quality?

Mr. HOWE: The government has helped in the development of iron ore production in this country in one way and another, but it is not interested in trading iron ore for other iron ore. All ore goes into the great lakes pool. Our industry gets the ore it needs out of the pool and the United States industry gets the ore it needs. A steel company cannot operate on one class of ore. It must buy certain ores for certain purposes. Certain ores are suitable for Bessemer work but not for other purposes, and other ores are suitable for blast furnace work but not for other purposes. Certain ores are suitable for making high grade pigiron while other ores are not. These ores are traded, if you like, in terms of dollars. We sell our ore into the great lakes pool for United States dollars and then we take the United States dollars and buy the ore we require from the pool.

Mr. TIMMINS: What did the minister mean this afternoon when he said that there would be a rebate on the better grade of ores?

Mr. HOWE: There is no duty on iron ore on either side of the lakes. I said that if we brought in steel from the United States and then shipped it out in the form of a finished article, the duty paid on that steel would be rebated. That applies to all manufacturing in this country.

Items 388, 388a, 388b, 388c and 388d agreed to.

Customs tariff—388e. Iron or steel side or centre sill sections, of all sizes not manufactured in Canada, weighing not less than 35 pounds per lineal yard, not punched, drilled or further manufactured, when imported by manufacturers of railway cars, for use in their own factories.

Mr. TIMMINS: We are going to ask the minister the same question on each one of these items. Is there any saving of United States dollars with respect to this item? Is this not an item which does not fit into the purview of schedule III? Do we not have to import most of these articles from the United

States, and therefore there cannot be any restriction against this steel coming in?

Mr. HOWE: Imports in 1947 under this item were exactly zero. As a matter of fact, centre sill sections for railway cars are made in Canada and there are none imported.

Mr. TIMMINS: Is there any reason why this item should be in here? What is behind this item when, as a matter of fact, there is nothing coming in under it?

Mr. HOWE: Some manufacturer might get the bright idea of importing sections when they can be made just as well in Canada. If he does we want to stop him.

Mr. TIMMINS: We are almost bound to bring in some of this material from the United States.

Mr. HOWE: We do not, as a matter of fact.

Mr. TIMMINS: Is the item to be proclaimed?

Mr. HOWE: It will be if anyone starts to bring this material in.

Mr. TIMMINS: Is it to be brought into operation immediately on the passing of the act?

Mr. HOWE: No.

Item agreed to.

Customs tariff—ex 409l. Traction ditching machines (not being plows) and complete parts thereof for production use.

Mr. MACDONNELL (Muskoka-Ontario): My understanding was that the minister would give us, under each of these items, the amount at present imported and indicate whether a saving was to be expected. That is the way he asked it to be done, and that is the way I presume it is to be done.

Mr. HOWE: This is an ex item. The total imports last year amounted to $270,000. Whether there will be any material saving depends upon the amount of highway work that is thought desirable as time goes on This is machinery for building highways.

Mr. TIMMINS: Has the Toronto Rapid Transit System made an application and, if so, what has been the result?

Mr. HOWE: No application and no result.

Mr. TIMMINS: There have been negotiations, have there not?

Mr. HOWE: Not that I have heard of.

Item agreed to.

Customs tariff—ex 409m. Internal combustion traction engines for other than farm purposes and complete parts thereof for production use.

Mr. MACDONNELL (Muskoka-Ontario): I thought it was understood that the minister would give us the imports under each of these items.

Mr. HOWE: The imports for the whole tariff item amounted to $45,519,000; traction engine parts, $23,811,000. This is another ex item. I do not think there will be any great saving.

Mr. FRASER: That will include truck engines?

Mr. HOWE: Yes, it includes truck engines and traction engines used in lumbering. There is not likely to be much saving.

Mr. JACKMAN: The minister gave the imports as $45,000,000, and $23,000,000 for traction engine parts. Did we import that many internal combustion traction engines, apart from those used for agricultural purposes, last year?

Mr. HOWE: Items 409l and 409m are ex items, taken out of the larger tariff items. I do not know what the imports were under the ex items. I have given the imports as $45,000,000 and $23,000,000 for the total tariff item, but the ex items in the schedule are only part of the larger items.

Mr. JACKMAN: Then the figures the minister gave us mean absolutely nothing for the purposes of this bill.

Mr. HOWE: That is right.

Mr. JACKMAN: Surely, when the estimates were being made up by the department and they were aiming at a target of saving so much in United States funds, they must have added up different items, and surely the minister's deputies have those figures before them.

Mr. HOWE: No.

Mr. MACDONNELL (Muskoka-Ontario): We are getting just as much tired of this as the minister, but is it reasonable for him jauntily to throw out a figure of $68,000,000 and then say he has not the figures that make it up? Sixty-eight million dollars is a lot of money, and we are certainly entitled to a little more interest being taken in the item.

Mr. HOWE: These are ex certain tariff items. I have given the imports under the whole tariff items, but I have not the ex figures segregated because there are no such figures available to us.

Mr. MACDONNELL (Muskoka-Ontario): I have no desire to ask anything unreasonable, but I point out that in connection with the automobile industry, which is larger than this but not so very much larger, the minister gave us a definite statement and told us how they had worked over it and how the matter had been dealt with. Here is an important item involving many millions of dollars and all the minister has told us is that he does not think there will be much saving.

Mr. JACKMAN: The wording of the item is, "internal combustion traction engines for other than farm purposes." While internal combustion traction engines are needed on the farm for producing food and are valuable elsewhere, why is the farm classification the only one excepted? What is wrong with the use of internal combustion engines in lumbering and mining and general construction purposes, for the opening up of new roads for the development of our northern areas?

Mr. MACDONNELL (Muskoka-Ontario): I think this item should stand until we get information on it.

Mr. HOWE: There is no reason why this item should stand. It is desired to control certain types of traction engines, and I have said that I do not look for any particular saving because the industry which uses these engines largely is the lumbering industry and it is expanding. I am not a prophet or the son of a prophet, and I cannot tell how many traction engines the lumbering industry will need over the next two years.

Mr. JACKMAN: The point I still do not understand is why, if the traction engine is to be used for agricultural purposes, no permit will be required, but if it is used for lumbering or mining or some other purpose, a permit is necessary. Wherein lies the distinction between agriculture and these other equally valuable forms of industry?

Mr. HOWE: The uses of traction engines on the farm are fairly well defined. This country is short of tractors and there is no reason why we should not permit farm tractors to come in. So far as lumbering and mining are concerned there is a saving to be made because there are substitute products which can be used in those industries. We in our wisdom believe we should have a look at these traction engines, which run into very large figures.

Mr. JACKMAN: The minister said there are substitute products. Does he mean substitute traction engines? On the farm, of course, you can use a horse as a substitute, but in the lumbering business it is not so easy as that. What does the minister mean by substitute products?

Mr. HOWE: They might use four-wheel drive trucks.

Mr. JACKMAN: They would be more expensive.

Mr. HOWE: Perhaps so, but there is no objection to our having a look at them. My hon. friend has never seen any of these things, I suppose. Why should he question our belief that we can save some United States dollars by having this item under control?

Mr. JACKMAN: The department does not seem to know what it is. It has no idea of the amount saved under this item. In his references I wish the minister would leave out personal remarks. I should like him to know that I go to the movies occasionally if he does not. I should like to know just why the agricultural industry is to be excepted from this particular classification, when the value of tractors undoubtedly runs into millions of dollars in comparison with the lumbering and mining industry. If we produce more lumber or more minerals at the present time we could export these products and they would become a source of United States funds. I do not understand the reason the minister has given. Because I was not born or raised a construction engineer and, therefore, perhaps cannot take one of these machines apart and put it together again is no reason why I should not have an opinion on it.

Mr. TIMMINS: The explanation of the minister in respect of this item is apparently that it is not likely to save anything. He says, "We would like to have a look at the engines coming in", which would appear to me to put this section more or less in the form of a dragnet. That is what I am objecting to. I do not see why this item should be in here at all. I do not see why we should have a dragnet in respect of Canadian imports when, as a matter of fact, these items may be needed for the operation of industry in the country. The minister says, "We want to have a look at it". I do not think that is a sufficient answer. I do not think the public will be satisfied with it.

Item agreed to.

Customs tariff—ex 412. Machinery, being presses for use in the printing of newspapers, of not less value by retail than fifteen hundred dollars each; of a class or kind not made in Canada; complete parts thereof for production

use, not to include saws, knives and motive power; mechanical deliveries or conveyers for use with newspaper printing presses.

Mr. FRASER: Will the minister give us a breakdown on this item?

Mr. HOWE: Item 412 covers exports of $726,000 in 1947. The item in the bill is an ex item. The number of presses and parts would not be as large as that. How much it is I do not know; therefore I cannot answer the question.

Mr. TIMMINS: The minister said "exports."

Mr. HOWE: Imports; exports from some other countries. The purpose of getting this item under control is this. All sorts of new newspaper enterprises start up. We have already had applications from people who want to bring presses over to start printing pulp magazines in this country, which is a type of project that I have said frequently we do not wish to encourage. This is simply to make sure that the money is spent for material that is useful to the Canadian economy.

Mr. FRASER: The minister said that he did not want to encourage pulp printing in this country. I thought that was thrown out by the Bennett government in 1930 and 1935 and this government brought it in again. Were these presses brought in duty free before 1940?

Mr. HOWE: I do not know.

Mr. FULTON: Can the minister find out?

Mr. HOWE: This has nothing to do with duty.

Mr. FRASER: I has to some extent, because I think they were allowed in duty free before.

Item agreed to.

Customs tariff—ex 412a. Machinery and apparatus, n.o.p.; gun and mould apparatus for making press rollers; machines and apparatus for making electrotypes and stereotypes; engraving machines and apparatus, including proto-engraving apparatus, and other plate-making apparatus, used in the manufacture of printing plates of all kinds; machines and apparatus for graining metal plates, machines and apparatus for sensitizing, grinding or polishing metal plates; machines and apparatus including cameras and camera equipment, lens, prisms, camera and printing lamps, screens, and vacuum frames for transferring by photographic processes, or direct, to plates or rolls for use in lithography, rotogravure and printing; shading apparatus; machines and apparatus for addressing and/or wrapping newspapers, magazines, periodicals, pamphlets and catalogues; machines and apparatus for embossing or stamping, or producing embossed or engraved effects, bookbinding, looping, stitching, sewing, gathering, inserting, bronzing, dusting, creasing, scoring, cutting, perforating, drilling, punching, slitting, re-winding, glueing, pasting, gumming, waxing, varnishing, carbon coating, patching, numbering, ruling, jogging, sheet piling, tying, bundling, cube-making, metal mounting, eye-letting, staying or stripping, reinforcing and box-covering; complete parts for production use, not to include saws, knives and motive power; all the foregoing when for use exclusively by, and in their capacities as printers, lithographers, bookbinders, manufacturers of stereotypes, electrotypes and printing plates or rolls, paper converters, or by manufacturers of articles made from paper or cardboard.

Mr. MACDONNELL: (Muskoka-Ontario): Must we rise every time and ask for this list, or will the minister be sensible and give it to us as he said he would, instead of saying, "carried" all the time? We want the figures on this item.

Mr. HOWE: The importations under the complete item last year were $4,395,000. It is the intention to apply the permit requirements to this at an early day.

Item agreed to.

Customs tariff—ex 412b. Flat bed cylinder printing presses, to print sheets of a size 25 x 38 inches or larger; complete parts thereof for production use; machines designed to fold or sheet-feed paper or cardboard; complete parts thereof for production use.

Mr. FULTON: What were the figures on this item?

Mr. HOWE: The figure was $337,000 for the complete item.

Item agreed to.

Customs tariff—ex 412c. Typecasting and typesetting machines for use in printing offices; parts thereof for production use.

Mr. MACDONNELL (Muskoka-Ontario): This item will not carry until we get the figures.

Mr. HOWE: Item ex 412c, typecasting and typesetting machines for use in printing offices; parts thereof for production use; that is only part of the item. The total item was $1,385,000. I shall have to say again I have no idea what the ex represents in imports of typecasting machines and parts.

Item agreed to.

Customs tariff—ex 412d. Offset presses, lithographic presses; printing presses and type-making accessories therefor, n.o.p.; complete parts of the foregoing for production use, not to include saws, knives and motive power.

Mr. TIMMINS: What is the amount?

Mr. HOWE: Item 412d covered imports of $4,369,000 for printing presses and parts last

year; and typemaking accessories and parts, $52,000. These are two statistical items. Once again I have no idea what the value of the ex was.

Mr. TIMMINS: Does the minister intend to bring this into operation right away?

Mr. HOWE: Soon.

Mr. JACKMAN: From now on, these customs items all have "ex" in them. That means certain things are excluded?

Mr. HOWE: It means out of the item. Permits are required only for the items named.

Mr. JACKMAN: From now to the bottom of page 27, all the items are ex something or another; therefore the figures which the minister has indicate nothing. The minister has no figures for the item to which he refers.

Mr. HOWE: Just for the tariff item.

Mr. JACKMAN: In other words, they are meaningless to us.

Item agreed to.

Item ex 413 agreed to.

Customs tariff—ex 414. Complete parts of typewriters for production use.

Mr. MACDONNELL (Muskoka-Ontario): Not one of these items will be carried until we get the figures. Let me remind the minister of this. He told us earlier in the debate, as I recall it, that they estimated some $100 million saving on these items and they found that was not enough. We have not yet had any indication of any substantial amount of savings.

Mr. HOWE: I remind my hon. friend that he got an indication of $75,000,000 in the automobile tariff item.

Mr. MACDONNELL (Muskoka-Ontario): Quite right. I am glad to be corrected on that. I understood the minister to say that on the other items they had in mind a figure of $100 million and then decided it was not enough.

Mr. HOWE: No. I said on schedule III the estimated saving was $100 million.

Mr. MACDONNELL (Muskoka-Ontario): And decided that that was not nearly enough.

Mr. HOWE: Yes. We picked up $75,000,000 on the automobile item, and I think we shall pick up more as we go along.

Mr. MACDONNELL (Muskoka-Ontario): I will take the $75,000,000.

[Mr. Howe.]

Mr. TIMMINS: With respect to item ex 413 and the other items, the minister has not intimated that there has been any United States dollar saving up to now. Will the minister correct me if I am wrong in that?

Mr. HOWE: I do not know that there has been very much up to date. However, there are several more pages, and if we keep on, perhaps we shall find something.

Mr. TIMMINS: Up to this point, I think it is fair comment to say that the minister has indicated in one or two of these items that he did not think there would be any saving at all. Up to this point, has there been any dollar saving on any steel or iron item?

Mr. HOWE: Not yet.

Item agreed to.

Customs tariff—ex 414a. Complete parts of dictating, transcribing and cylinder shaving machines for production use.

Mr. SKEY: Will the minister give us the figure for this item?

Mr. HOWE: The total for tariff item 414a is $886,000. That is the amount brought in last year. Dictating machines and parts are the parts covered. As I say, I do not know what they represent out of the total tariff item. The total tariff item was $886,000. We are attempting to control only the dictating machines and parts.

Mr. SKEY: As I read the item, the complete parts are put under embargo or quota. Is that correct?

Mr. HOWE: The dictating machines are in schedule I and are not being brought in at all. The item is schedule III refers to parts. Parts will be brought in as required to keep the existing machines in order.

Mr. SKEY: Is it the minister's intention to call this item for operation immediately?

Mr. HOWE: Yes.

Item agreed to.

Customs tariff—ex 414c. Bookkeeping, calculating and invoicing machines, and complete parts thereof for production use, and complete parts of adding machines for production use.

Mr. JACKMAN: Has the minister given any consideration to the fact that many of these items such as dictating machines and so forth are labour saving devices; and if their importation is allowed, there will be a saving of manpower in the country, and in the

general run of things a good deal of manpower will be available for the export industry? I merely have to recall to the minister's attention that about thirty-seven per cent of all our output is exported to one country or another, a good deal of it going to the United States. Would he give the committee the benefit of his observations on the propriety of taking in a certain amount of labour saving devices from the United States in order that labour may be made available to industry generally? And, of necessity, part of it will go to the export industries.

Mr. HOWE: As a short-term project, we would rather save capital investment and use the labour.

Item agreed to.

Customs tariff—ex 415. Electric vacuum cleaners and attachments therefor; hand vacuum cleaners; and complete parts of all the foregoing for production use.

Mr. FULTON: Has there been some substitution in this item 415, or does it stand as it is written here?

Mr. HOWE: It stands as written. That is with regard to parts for vacuum cleaners?

Mr. FULTON: Yes, complete vacuum cleaners and parts therefor. Could we use item 415 and the following three items to ask the minister whether this is an example he can use to give us an illustration of how he would propose to build that Canadian industry to effect a permanent saving of United States dollars? This afternoon he gave an illustration of the type of industry which would be encouraged in Canada, namely the case of an industry manufacturing shock-absorbers to help in the manufacture of automobiles. Here we have an important category of industries manufacturing electrical household appliances. I understand that the import from the United States of these parts and complete machines is to be restricted. Therefore, on the strength of the minister's illustration, it seems to be that this would be a useful field for the establishment of a Canadian parts industry. Will he correct me if I am wrong? And if I am not wrong, will he show us just how he would go about building up a Canadian industry so that we would not have to import those parts from the United States?

Mr. HOWE: There are in Canada several makes of vacuum cleaners. I hardly think one parts industry could make parts for a considerable number of brands of vacuum cleaners. However, vacuum cleaners are made in Canada; and if an industry were to start up to make parts in order to round out Canadian production, it would be a useful industry.

Mr. FULTON: Is the department taking positive steps to encourage the establishment of a parts industry? Item 415b refers to complete parts of washing machines, domestic, for production use. I take it that the import of parts for those is now restricted. We produce washing machines in Canada, or at least we assemble them. Therefore are any positive steps being taken to establish a Canadian washing machine parts industry in order to effect a permanent saving of United States dollars?

Mr. HOWE: The method to be used here is the method used in the automobile industry. We are rationing the United States dollars allowed for the importation of parts, which has the indirect effect of bringing about the manufacture of parts in Canada.

Mr. FULTON: Can the minister give us an indication of whether he expects or has definite signs that electrical parts manufacturing industries are to be established? What positive developments have taken place since the minister began to restrict the importation of these parts?

Mr. HOWE: I have not yet begun to restrict the importation of these parts. I have not my legislation. But there is definite legislation—

Mr. FULTON: But you have this—surely I am not wrong—

Mr. HOWE: It does not apply to me.

Mr. FULTON: —under P.C. 4678?

Mr. HOWE: No. It does not apply to the Minister of Trade and Commerce or to the Minister of Reconstruction and Supply; it applies to the Minister of Finance.

Mr. FULTON: Yes, but the effect of it is to restrict the importation of these items which are now in schedule III. Surely the Minister of Trade and Commerce must know what has been the effect of the restriction to date.

Mr. HOWE: The effect of the restriction generally is greatly to stimulate the parts industry. There is a tremendous expansion going on at the moment in the manufacture of components.

Mr. FULTON: That is what I am asking, if the minister can tell us. In this case this seems to me to be a useful sample type. Can

the minister tell us whether, in these items 415, 415b, 415c and 415d, there have been any concrete developments, so that we can get a picture of what is going on instead of just generalities?

Mr. HOWE: May I point out that these parts are not yet under restriction. Anyone can bring in all the parts for vacuum cleaners that he wishes at the moment, and he can bring in all the parts for washing machines that he wishes. As I say, if we can get this legislation through, we will put them under restriction and go ahead to secure some restriction. But at the moment there are no restrictions on the importation of parts.

Mr. FULTON: Appendix IX of P.C. 4678 reads as follows:

> Any metals or manufactures thereof not included in Appendix VII or Appendix VIII, and not including machinery or equipment for use in the agricultural or fishing industries.

I seems to me that would certainly cover these parts which are now included in schedule III. They are obviously restricted under appendix IX of P.C. 4678.

Mr. HOWE: There is a general permit for all that material and the exemption is applicable until it is withdrawn. This is the present position of it. I want to make it clear that I will not undertake to operate schedule III until I get legislation. Hon. members opposite are preventing me from getting legislation. Therefore they are preventing this getting into effect. If that can be understood, we could stop talking about an effective order, because it is not in effect.

Mr. FULTON: Just a minute. We have heard that so often when it is already completely in effect. I have asked the minister, and I am trying to be reasonable whether it is not the case that, under appendix IX of P.C. 4678, the import from the United States of items such as these we are now discussing is restricted.

Mr. HOWE: No.

Mr. FULTON: What is the answer to that?

Mr. HOWE: No.

Mr. FULTON: What is the effect of appendix IX?

Mr. HOWE: I do not know.

Mr. FULTON: I beg the minister's pardon? I did not catch his answer.

Mr. HOWE: I told my hon. friend. I have answered his question. There is no restriction at the moment on the importation of parts for vacuum cleaners and washing machines.

Mr. FULTON: I accept that. I am not trying to be smart. Then will the minister answer the question I asked, namely, what is the effect of appendix IX of P.C. 4678?

Mr. HOWE: I have never read it. I don't know what it is.

The DEPUTY CHAIRMAN: Shall the item carry?

Some hon. MEMBERS: Carried.

Mr. FULTON: Mr. Chairman, in common with a number of other members, I am trying to understand the situation we find ourselves in. Will the minister ask one of his colleagues—if he wants to call me stupid, I will accept it—and tell us what the effect of appendix IX is?

Mr. HOWE: No, I would not do that. It has nothing to do with schedule III; I know that.

Mr. FULTON: I am certainly under the impression that the Minister of Finance said that appendix VII correspond to schedule I, appendix VIII to schedule II and appendix IX to schedule III. Now we have a complete contradiction, and that makes intelligible discussion impossible. Responsibility for that is not on the opposition but rather on the ministerial benches.

The DEPUTY CHAIRMAN: Shall the item carry?

Mr. TIMMINS: There is not any question, Mr. Chairman, that appendix IX of P.C. 4678 covers the items in schedule III, and the minister cannot deny it. He is covering up because, as a matter of fact, he had put the items of schedule III into operation under appendix IX and he is not willing to admit it.

Mr. HOWE: I said so five times.

Mr. TIMMINS: The responsibility rests on the minister.

Mr. FERGUSON: From the speed with which the government is trying to get this through, it is quite apparent—and it must be an eye-opener to the Canadian people—that the restriction of certain imports means increased labour and wealth for Canada. The Liberal government is trying to save its bacon by putting up restrictions, something the Tory party has been advocating here for years. Even the C.C.F. party down here can see the great need of these restrictions. They are

getting away from their ideas of free trade with Russia and other countries, because they believe this will help labour.

The DEPUTY CHAIRMAN: Order. I would remind the hon. gentleman that we cannot permit any general discussion. He must deal with the item we are on, 415.

Mr. FERGUSON: I was dealing with these items, covering them all.

Mr. FULTON: When we deal with the particular items we cannot get any information, so surely we might as well have a general discussion.

Mr. HOWE: I am glad to see that this nonsense of "Progressive Conservatives" has gone by the board. It is the old Tory party.

Item agreed to.

Customs tariff—ex 415b. Complete parts of washing machines, domestic, for production use.

Mr. TIMMINS: Would the minister tell us what amount came through by way of imports from the United States under this item, and what the saving will be?

Mr. HOWE: $740,000.

Item agreed to.

Customs tariff—ex 415c. Complete parts of domestic clothes wringers for production use.

Mr. TIMMINS: We would like the same information on this. What were the imports last year?

Mr. HOWE: I have not that information.

Mr. TIMMINS: I think we should leave the item if the minister has not the information.

Mr. FULTON: When the Minister of Finance was dealing with schedules I and II, and when he was here with his experts before him, it was stated that at the present time, under P.C. 4678, permits for items covered in appendix IX were issued by the Minister of Finance on the advice of the Minister of Trade and Commerce. The Minister of Trade and Commerce has just told me that he has nothing to do with appendix IX; that he does not know what it is about because he did not write it, and he cannot say anything about the articles covered in it. As I say, that makes discussion impossible. I should like the minister to say whether the Minister of Finance was correct in the statement he made.

The DEPUTY CHAIRMAN: Carried.

Mr. FULTON: No, Mr. Chairman. I asked the minister a question, and I would like an answer.

The DEPUTY CHAIRMAN: The hon. member must deal with item 415c.

Mr. FULTON: With respect, Mr. Chairman, I was dealing with item 415c. I asked the minister a question about it, and he said it is not restricted. I asked whether it was not restricted under appendix IX, and he said it was not restricted because this schedule has not gone into effect. I asked whether the same item was not restricted under appendix IX of P.C. 4678, and he said he did not know. I am now trying to follow up that point. The Minister of Finance has said he acts under appendix IX on the advice of the Minister of Trade and Commerce, and I am asking the Minister of Trade and Commerce if the Minister of Finance was correct.

Mr. HOWE: That is correct, but the Minister of Trade and Commerce has given no advice on this item. He has given advice on eight or nine items, including the automobile schedules and a few others, but he has not given advice on this item. Therefore there is no restriction on the imports.

Mr. FULTON: That answer might have been given five minutes ago, and saved our time.

Mr. SKEY: Therefore the Conservative party is not holding up the business.

Item agreed to.

Customs tariff—415d. Sewing machines, other than domestic, with or without motive power incorporated therein; complete parts of sewing machines for production use.

Mr. TIMMINS: What were the imports under this item in 1947? Further than that, I have been under the impression that to some extent sewing machines were a monopoly, so that I would be interested to learn how the minister will make any saving on this item.

Mr. HOWE: Imports under this item were $3,501,000, but that is a very good earner of United States dollars. The export part of the industry is more important than the domestic part, so that we will endeavour to frame our regulations in consultation with that industry in order that there will be further incentive to export.

Mr. TIMMINS: In other words, there will probably not be much in the way of any saving here?

Mr. HOWE: Not unless there is a drop in exports.

Mr. TIMMINS: There may be some sort of quid pro quo in respect of it?

Mr. HOWE: An export bonus.

Item agreed to.

Customs tariff—ex 420. Machinery of a class or kind not made in Canada, when imported by manufacturers of leather for use exclusively in the tanning of leather or the embossing of leather, in their own factories, under regulations prescribed by the minister, and complete parts thereof for production use.

The DEPUTY CHAIRMAN: Carried.

Mr. MACDONNELL (Muskoka-Ontario): I want to ask a question here. I have never seen a man behave in the way the minister is behaving tonight. I raised a question the other evening and asked if the minister would give us an over-all figure, but he said no, he would do it item by item. If he will behave in a civilized manner here and give us what we have been asking for there will be no difficulty at all. We do not want to obstruct; we just want the information on each item we come to. You, Mr. Chairman, hurry it through, giving no opportunity for questions, or at least you are hurrying us along so that it is easy for the minister to refrain from doing what he said he would do. If the minister would behave as any other minister behaves he would stand up and give us those figures and there would be no difficulty whatever.

Mr. HOWE: Well, let us look at item 420 as an example of what my hon. friend wishes. He wishes me to give the saving in United States dollars.

Mr. MACDONNELL (Muskoka-Ontario): If possible.

Mr. HOWE: It depends entirely upon the growth of the exports. If he will tell me what export figure he would like to base an estimate upon, I might be able to give him the information; but, as I have explained time and time again, there are two ways in which this schedule can help us. One is by discouraging imports; the other is by stimulating exports. One depends upon the other. If exports are greatly stimulated there will be an increase in imports. If there should be a falling off in exports there will be a corresponding or larger falling off in imports. How in the world can I give you average figures? You know that as well as I do. It is all very well to stand up and parrot away, "We must have the figures of savings." My hon. friend knows as well as I do that one depends upon the other. Without knowing the level of exports it is quite impossible to give the level of savings.

Mr. MACDONNELL (Muskoka-Ontario): Mr. Chairman—

[Mr. Howe.]

Mr. HOWE: Nevertheless we shall have it again.

Mr. MACDONNELL (Muskoka-Ontario): In his heart I do not think the minister believes I am unreasonable. The minister is being difficult here, apparently purposely. I am not asking him for the impossible. He has given us figures in certain categories. If he wants to stand up and say that in this case he cannot give the figure, that is all right; but it has been like drawing teeth to get those figures item by item. We can settle this whole thing if he will just go through the items and give us what figures he can and tell us the items on which he cannot give us the figures. Then we can make up our minds whether we want to ask any further questions, because we shall know what he has and what he has not.

Item agreed to.

Customs tariff—ex 422. Street or road rollers and complete parts thereof for production use.

The DEPUTY CHAIRMAN: Carried.

Customs tariff—ex 422a. Concrete road paving machines, self-propelling, end loading type, with a capacity of 21 cubic feet of wet concrete or more; concrete and asphalt road finishing machines; form graders; sub-graders; combination excavating and transporting scraper units; concrete mixers, transit type; dump wagons or trailers, having a capacity of 10 cubic yards or over, not self-propelled; back-filling machines and equipment, mounted on self-propelling wheels or crawling traction, semi- or full-revolving boom and scraper type; steam or air driven pile hammers or extractors; well-points; truck turntables; all the foregoing of a class or kind not made in Canada; complete parts thereof for production use.

The DEPUTY CHAIRMAN: Carried.

Customs tariff—ex 422b. Trench and ditch excavating machines, round wheel or vertical or ladder boom, chain and bucket type, for vertical digging or sloping bank ditches; complete parts thereof for production use.

The DEPUTY CHAIRMAN: Carried.

Mr. MACDONNELL (Muskoka-Ontario): No, they are not carried. At least we can have the figures for last year, and ascertain whether the minister has any comment to make.

Mr. HOWE: Last year the imports under item 422a were $3,259,000. Road building is mainly carried on by provinces and municipalities. I have sent an appeal to them to restrict the work as much as possible during 1948. Whether or not they do restrict such work will have a direct bearing on whether there will be any saving in imports.

Mr. TIMMINS: Suppose they do not follow the suggestion of the minister; will he issue any directive in respect of what shall come in and what shall not come in?

Mr. HOWE: Certainly we will issue permits for what comes in, or refuse to issue them for what stays out. Nevertheless, if the provinces and municipalities insist that they must have a great deal of road making machinery we shall have to give some regard to their requirement.

Mr. TIMMINS: The minister will have to use discretion in respect of the permits he issues.

Mr. HOWE: Yes. Don't start that again. I use discretion with regard to everything.

Mr. TIMMINS: Will the minister give us some idea as to how he intends to exercise that discretion. What figures has the minister in mind with respect to what will be saved under this item?

Mr. HOWE: Nothing in my mind at all.

Mr. FULTON: Get that on *Hansard*.

Mr. MITCHELL: Give somebody else a chance.

Mr. TIMMINS: I was asking a question. I am quite prepared to stand aside. Perhaps the minister will give an answer before we are through.

Mr. HOWE: The purpose will be to import as little road making machinery and parts as it is believed will meet the requirements of the situation confronting us. That is all I can say about it.

Mr. HANSELL: I rise personally to oppose this item, for the reason that some of the provinces are hard up for road machinery. During the war, much of their machinery deteriorated; much of it was used for purposes other than road making.

Mr. FRASER: For building air fields.

Mr. HANSELL: Some of the machinery was used on the Alaska highway. There are not so many paved roads in western Canada, and many of them have deteriorated tremendously in past years. Gravel roads do not hold up for any length of time.

Provincial governments have had to go to their taxpayers to get money to maintain those deteriorating roads. Those provincial governments have had to say to their people, "Well, it is only for a time; when the war is over we shall be able to have our machinery replenished. Then we will put on a good-roads program." This item will bring about the trouble, all over again, and I must register my protest now.

It is all very well for us to say that we will deal with the provinces. I know the provinces will want to play fair with this program, in the national interest. But I do not believe we can expect them to cut down on their road machinery orders when they are in such dire need.

During the course of the discussion, mention was made of the amount of United States dollars we could obtain through the tourist traffic. If there is one thing which more than any other will hurt our tourist traffic in Canada, surely it is bad roads. Let us make no mistake about that. When many of our Canadian people wish to cross the country they will go across the border into the United States to use the roads of that country.

Mr. MacNICOL: They do it now.

Mr. HANSELL: I have travelled on United States highways. I took a trip to Vancouver last fall, a distance of about 1,200 miles from my home, and, after obtaining a report respecting some of the roads on the all-Canada route, I decided I would not take a chance on that route, and went by United States roads. Arriving at Vancouver, I stayed at a small auto-court and, while there, met one or two United States tourists. Seeing my Alberta licence, they asked me if I had come over such-and-such a highway. I said, "No, I did not; I came over an American route." "Well," they said, "good for you; we came over that highway, but, believe me, we will never go back on it." That is the sort of thing one hears said. The tourist trade means a lot in connection with this exchange program. When tourists ride over bad roads they gain certain impressions. They do not say, "Oh, well, I suppose we will have to stand it; Canada is in dire need of American dollars to buy our machinery." They do not say that. Rather, they say, "Well, if that is the kind of stuff we get when we come to Canada, never again." The result is that, even if we do repair our roads, they have memories.

We have some wonderful tourist attractions in Canada. I am not pitting the east against the west, because this eastern country is very beautiful indeed. But the mountainous regions of Alberta and British Columbia cannot be surpassed anywhere. This is the time when United States tourists are going to take trips, and whether they take them in Canada will depend upon the conditions of our highways.

We cannot build highways without machinery. Therefore I raise my voice against this item. We may be in need of United States dollars, but let us not plunge ourselves so far into the austerity program that, in the process, we lose out. That is a possibility. I have raised my voice in protest, and I suggest that we are not so hard up for United States dollars that we have to be stingy in this instance.

Mr. BENTLEY: May I follow the hon. member for Macleod by saying that I agree with much of what he has said. However, I cannot imagine that the minister has failed to give some consideration to the tourist business. We have heard a great deal about what the tourist trade means to Canada in terms of United States dollars. How does the minister decide what is the best thing to do? Is he to permit the importation of road machinery so as to make our roads attractive to tourists, in order to get their dollars, or is he to prevent the machinery from coming in and thereby save the United States dollars required to buy the machinery? Can he tell us which position he takes?

Mr. HOWE: We have given this matter the closest consideration. We know what machinery there is in the country and how much work there is to do. For example, the city engineer of Winnipeg came here and asked for a permit for $40,000 to buy equipment. By a little checking we found that all he needed to import was machinery to a value of $1,300, and that the rest of it was available in his own city of Winnipeg. He agreed; and thereby, through that little transaction, we were saved $38,000 in exchange.

Item agreed to.

Customs tariff—ex 422b. Trench and ditch excavating machines, round wheel or vertical or ladder boom, chain and bucket type, for digging vertical or sloping bank ditches; complete parts thereof for production use.

Mr. TIMMINS: What is the value of the imports on this item?

Mr. HOWE: It is $309,000.

Mr. TIMMINS: What is behind this particular item?

Mr. HOWE: Trench and ditch digging machinery, and parts.

Item agreed to.

Customs tariff—ex 424. Fire engines and other fire extinguishing machines and chassis for same; complete parts of the foregoing for production use other than chassis parts.

Mr. FULTON: Are fire engines made in any substantial quantity in Canada?

[Mr. Hansell.]

Mr. HOWE: Yes; two companies manufacture them, Bickle-Seagrave is one and La France is the other.

Mr. FULTON: Do they use United States parts?

Mr. HOWE: Yes.

Mr. FULTON: For reasons somewhat similar to those expressed by the hon. member for Macleod, I question the wisdom of this item. Many of our municipalities have permitted their equipment to become obsolete during the war, and at this time they wish to bring it up to date.

It seems to me that we are putting our property in danger if we restrict the importation not only of the engines but of all parts. I wonder if the minister has failed to be impressed by the number of fires we have had.

Mr. HOWE: It has been stated over and over again that replacement parts can come in freely. Fire fighting equipment is made in England, and we would like to divert some of this business to that country.

Mr. FRASER: Would a permit be necessary to bring in replacement parts?

Mr. HOWE: No; replacement parts do not require a permit, except for the automobile industry.

Item agreed to.

Item ex 425 agreed to.

Customs tariff—ex 427. All machinery composed wholly or in part of iron or steel, n.o.p., valued at over $200 per unit; complete parts thereof for production use.

Mr. TIMMINS: This seems to be a sort of blanket item which covers the waterfront. What were the imports last year and how much shall we save? We might as well have the same information with regard to 427a, because it seems also to cover the waterfront.

Mr. HOWE: This is the basket item covering machinery. Total imports last year were about $113 million. It is broken down into various items which will be brought in piecemeal as we are able to work out the administration. We expect a substantial saving in connection with this item.

Mr. MACDONNELL (Muskoka-Ontario): Does the $113 million cover items 427 and 427a?

Mr. HOWE: That includes 427 and 427a. I have that broken down if my hon. friend is interested.

Mr. TIMMINS: Could you put it on *Hansard?*

Mr. HOWE: It is not in a form suitable for tabling.

Mr. MACDONNELL (Muskoka-Ontario): Give us the larger items.

Mr. HOWE: Some of the items are:

Power dairy machinery	$1,371,000
Air compressor machinery and parts	3,122,000
Bakery machinery and parts ..	2,150,000
Cranes, hoists, n.o.p., and parts	5,473,000
Refrigerating machinery and parts	4,325,000
Oil drilling machinery and parts	4,098,000
Grinding machinery and parts..	2,747,000
Mill working lathes and parts..	4,061,000

All items are about that size.

Mr. FRASER: Would that include bread wrapping machines?

Mr. HOWE: I imagine they would come under the bakery items.

Mr. FRASER: Would you likely give a permit for a bread wrapping machine?

Mr. HOWE: We might.

Item agreed to.

Items ex 427a, 427e, ex 427f agreed to.

Customs tariff—ex 427h. Motion picture projectors for use with film one and one-eighth of an inch in width or over; electric rectifiers or generators designed for use with such motion picture projectors; arc lamps for motion picture work, motion picture or theatrical spot lights, light effect machines, not to include electric light bulbs, tubes or exciter lamps; complete parts for production use of motion picture projectors, arc lamps for motion picture work, motion picture or theatrical spot lights, light effect machines, motion picture screens, portable motion picture projectors with or without sound equipment, and electric rectifiers or generators designed for use with motion picture projectors.

Mr. MACDONNELL (Muskoka-Ontario): I should like the figures on this item.

Mr. HOWE: Imports last year were $1,475,000, and we expect to reduce that substantially.

Item agreed to.

Customs tariff—ex 428. Traction engines, n.o.p.; complete parts thereof for production use.

Mr. MACDONNELL (Muskoka-Ontario): May we have the figures on this item?

Mr. HOWE: Imports last year were $688,000. These parts are brought in for the manufacture of traction engines here.

Item agreed to.

Item ex 428c agreed to.

Customs tariff—ex 428e. Diesel and semi-diesel engines, n.o.p.; complete parts thereof for production use.

Mr. MacNICOL: Before the war, diesel engines were scarce in Canada and they were not much more plentiful in the United States, but during the war our American cousins got into the production of these engines. The diesel engine is the greatest advance there has been in power development. It is the cheapest engine to operate and its use is bound to increase greatly as the years go by. Are they being made complete anywhere in Canada?

Mr. HOWE: Yes. A line of small diesel engine is being made complete in Vancouver. Diesels are also manufactured by Dominion Engineering in Montreal. Canadian Vickers make diesel engines for ships and I think there are one or two other manufacturers.

Item agreed to.

Items ex 428f, 434, ex 434a and 434b agreed to.

Customs tariff—ex 435. Locomotive and motor cars for railways, of a class or kind not made in Canada, for use exclusively in mining, metallurgical or sawmill operations; complete parts thereof for production use; diesel switching locomotives of a class or kind not made in Canada.

Mr. SKEY: Is it proposed to substitute Canadian engines?

Mr. HOWE: Yes, that is the idea.

Item agreed to.

Customs tariff—ex. 438. Railway cars, n.o.p.; parts thereof for production use.

Mr. MACDONNELL (Muskoka-Ontario): Could we have the figures on this item?

Mr. HOWE: Imports were $1,424,000.

Item agreed to.

Customs tariff—438a. Automobiles and motor vehicles of all kinds, n.o.p., electric trackless trolleybuses; chassis for all the foregoing.

Mr. WEBB: While the minister's statement this afternoon cleared up a few questions I had in mind, there are still a few which are unanswered. On page 1161 of *Hansard* the minister is reported as follows:

As far as manufacturing firms are concerned, the purpose is to encourage the use of Canadian facilities to the maximum extent.

Of course we all agree with that. The minister went on to say:

The arrangement with the automobile industry has been published.

Until the minister spoke this afternoon, I was wondering about what arrangement

had been made. It was my impression that there had not been a great deal of consultation with the automobile manufacturers. I understand from the minister's statement this afternoon that the matter was discussed and a fairly satisfactory arrangement arrived at.

Mr. HOWE: Yes. There were many meetings with all parts of the industry, manufacturers, dealers, and importers of parts.

Mr. WEBB: Has this been taken up with the dealers and are they pretty well satisfied with the arrangement?

Mr. HOWE: I do not know that they are satisfied, but they agreed that the arrangement was reasonable as between the various dealers.

Mr. WEBB: I am informed that the production of automobiles in Canada has not increased. I happen to know personally that they are harder to get than before. We are not going to import automobiles, and I am not arguing for that; but will the result of these restrictions be to increase the construction of cars that have already been on the production lines by the motorcar industry in Canada? Is there a possibility of there being an increase in cars for dealers throughout Canada this year?

Mr. HOWE: The new formula becomes effective on the first day of March. My hon. friend said he has not noticed any increase in the number of cars, nor have I, because the industry around Windsor has been closed down for two or three weeks, but it is anticipated that there will be more automobiles manufactured in 1948 than in 1947.

Mr. WEBB: Is there a possibility that some of the makes of cars which were imported will be manufactured in Canada this year? Have any steps been taken to encourage that?

Mr. HOWE: If any company had indicated before September last that they were interested in manufacturing in Canada, that company would be permitted and perhaps encouraged to do so. The purpose of the legislation, as I have said several times, is not to start industries in Canada to manufacture items the importation of which is restricted or prohibited by legislation. There is no desire on the part of the administration to encourage people to start who have never manufactured in Canada and have shown no desire to do so, but those who have been manufacturing here can choose between manufacturing more cars in Canada or bringing in cars. I think they will prefer to manufacture more cars in Canada and do without imports. Firms that have not indicated any intention of manufacturing in Canada are allowed a certain proportion of imports.

Item agreed to.

Customs tariff—438b. Bearings, clutch release; bearings, graphite; bearings, steel or bronze backed, with non-ferrous metal lining; bushings, graphited or oil impregnated; ceramic insulator spark plug cores, not further manufactured than burned and glazed, printed or decorated or not, without fittings; compressors, air; commutator copper segments; commutator insulating end rings; tapered discs of hot rolled steel, with or without centre hole, for disc wheels; distributor rotors and cam assemblies; door bumper shoes; electric wiring terminals, sockets, fittings and connectors and parts thereof, not to include battery terminals; gaskets of any material except cork or felt, composite or not; ignition contact points; keys for shafting; auxiliary driving control kits, designed for attachment to motor vehicles to facilitate their operation by physically disabled persons, and parts thereof; lenses of glass for head, tail, dome, signal and cowl or parking lamps, and for light reflectors; lock washers; piston ring castings in the rough, with or without gates and fins removed; rails of lock seam section, corners, locks and catches, unplated ventilators and parts thereof, the foregoing being of metal other than aluminium, for the manufacture of window sashes for bus bodies; steel bolts, or studs, capped with stainless steel; switches for lamps, heaters and defrosters and parts thereof; vacuum control assemblies; vulcanized fibre in sheets, rods, strips and tubing; all of the foregoing when of a class or kind not made in Canada and for use in the manufacture or the repair of the goods enumerated in tariff items 424 and 438a, or for use in the manufacture of parts therefor.

Mr. TIMMINS: This item covers a very large field. What were our imports in United States dollars in 1947? Would the minister take the committee into his confidence and tell us what took place between him and the parts industry relative to the manufacture of these parts in Canada? It is clear that no industry will take on the manufacturing of parts unless they have some prospect of continuing in the business. How long does the minister expect this will last—five years or ten years, or what length of time?

Mr. HOWE: It does not matter whether it goes on for six months or six years. We do not encourage anyone to make anything that depends on the operation of this act. I have told that twelve times. Can that be the last?

Mr. FULTON: The minister told us this afternoon that he had been glad to see an industry start making shock absorbers in Canada. I do not see how he can differentiate between an industry of that type which he says can survive when the restrictions are removed, and any other industry. How does he decide?

Mr. HOWE: The difference is just this. The manufacture of shock absorbers is an industry that can survive whether this legislation lasts for six months or six years or sixty years. There are other parts manufacturers in the same position. If they are not in that position we do not encourage them to start. Let us not argue that.

Mr. FULTON: I am here to satisfy myself as to the merits and demerits of this proposal. If I do not happen to see things the way the minister does I appreciate that he regrets that, but I am not going to have him tell me not to argue. But how does he decide whether an industry can survive or whether it is one that cannot survive without this legislation. That is what I want to know.

Mr. HOWE: I can tell that from the willingness of the automobile industry to do business with them. That is the best test I know.

Mr. TIMMINS: What were the imports from the United States in 1947?

Mr. HOWE: I put all those figures on *Hansard* the other day and made another statement today. Total importations of the manufacturing industry run to about $70,000,000.

Mr. TIMMINS: Cannot this item be broken down?

Mr. HOWE: The parts amounted to $108,000,000 of importations.

Mr. JACKMAN: So that we may have a little idea of how the constructive end of the program is getting on, is there duty on shock absorbers going into the United States? I presume that is where the hard currency market is. Will the minister say a few words about these parts in general? If we in Canada are to compete with United States home producers we must have quantity production. I think the minister will agree that it is pretty much a question of mass production, and a reasonable tariff wall to get over. Take as a concrete example the shock-absorber industry. Can the United States industry not meet the domestic demands of the market there and the export demands from the United States shores? How is it that in that particular example which the minister gave we have succeeded in getting over the United States tariff wall and getting our costs down low enough to compete with United States mass production? How is it that United States producers have not got after their government to raise the tariff so that they will have less unemployment at home? Will the minister give a brief review of that situation, because we are naturally as much interested in the constructive end of this program as he is.

Mr. HOWE: The review will be very brief. Up to the present time shock absorbers have been imported from the United States. An industry has now been established which will supply some of the domestic Canadian demand for shock absorbers.

Mr. JACKMAN: It is not going to the United States at all.

Mr. HOWE: No.

Item agreed to.

Items 438c, 438d and 438e agreed to.

Customs tariff—438f. Hot rolled strip of iron or steel with rolled or mill edge, of a class or kind not made in Canada, when imported for use in the importer's own factory, in the manufacture of the goods enumerated in tariff items 424 and 438a, or in the manufacture of parts therefor.

Mr. TIMMINS: Will the minister explain this item which has to do with hot rolled strip of iron or steel with rolled or mill edge, of a class or kind not made in Canada.

Mr. HOWE: Hot rolled strip for motor vehicles was imported to the amount of $959,000. At the moment there is nothing we can do about it. We require that. Within the next seven or eight months we shall be producing hot rolled strip in Canada and we shall certainly reduce the item, and perhaps eliminate the import.

Mr. TIMMINS: We cannot do anything about it in the meantime?

Mr. HOWE: No.

Item agreed to.

Customs tariff—ex 438g. Motor cycles or sidecars therefor; complete parts of the foregoing for production use.

Mr. FULTON: What was the amount of dollar imports of this item last year?

Mr. HOWE: The amount was $1,623,000. It is hoped that by putting this item under permit we can divert the import, which is practically all from the United States at the moment, to the United Kingdom.

Mr. FULTON: The amount of $1,623,000 represents imports from the United States alone?

Mr. HOWE: Yes, and in all the figures I am giving.

Mr. FULTON: Or is it the total from all these countries?

Mr. HOWE: Just the United States.

Item agreed to.

Items 438h, 438i, ex 439b, ex 440, ex 440a, agreed to.

Customs tariff—ex 440l. Aircraft, n.o.p.; complete parts thereof for production use, not including engines, under regulations prescribed by the minister.

Mr. JACKMAN: In connection with an item such as 440l, aeroplanes and motorcycles, which are included in the item we just passed, is it the intention of the minister to allow these goods in from the United Kingdom and to put a complete ban on them from the United States? Is that within the terms of the government's policy at the present time?

Mr. HOWE: As far as aircraft are concerned, new aircraft are imported from the United States, provided that suitable aircraft of Canadian manufacture will not fill the requirements.

Mr. JACKMAN: I was referring to the general principle.

Mr. HOWE: Canada makes aircraft of certain categories for certain purposes, and we shall try to persuade the buyer to buy a Canadian aircraft; but if there is not a Canadian aircraft suitable we will permit the import.

Mr. JACKMAN: I want to get the general principle. Will the minister allow the importation of aircraft and motor cycles from the United Kingdom without stint—because that would be a very good thing to do—and at the same time put a complete embargo against similar goods from the United States?

Mr. HOWE: No, I did not say that.

Mr. JACKMAN: I am asking.

Mr. HOWE: It is the famous discretion to which reference has been made so often.

Mr. JACKMAN: Under schedules I and II we have a formula worked out under which we have certain specific quotas. They were worked out in favour of soft currency countries. Here there are no formulas. We know it is entirely within the minister's discretion; if he chooses he can put an embargo against these products from the United States.

Mr. HOWE: That is right.

Mr. SKEY: Will the minister permit replacement of equipment now in operation if it is of United States design and a Canadian substitute cannot be found?

Mr. HOWE: Does the hon. member mean spare parts?

[Mr. Fulton.]

Mr. SKEY: No, complete.

Mr. HOWE: New aircraft? I might, yes. Aircraft are in a class by themselves. You cannot classify aircraft as you can sewing machines, which is a separate problem. If the aircraft were required for a purpose that the Canadian-built aircraft or the English-built aircraft could not do equally well for we would allow the import from the United States. It is very hard, as my hon. friend will appreciate, to lay down a general classification. For example, there is a photographic plane that is in a class by itself. There may be one made in the United States and not made in Canada or England. It might be a plane used for prospecting here. Two or three of these have been imported. They are made only in the United States. That special equipment is a problem by itself, and each item must be looked at in that light.

Mr. SKEY: Everyone who wishes to buy a United States aircraft must apply to the minister?

Mr. HOWE: That is right.

Mr. SKEY: For a permit?

Mr. JACKMAN: May I ask the minister why there is this distinction between the items in schedules I and II whereby we work under a strict formula as to how much we shall allow in from the United States and how much we shall allow in from the United Kingdom and the items in schedule III where we have no formula worked out? There is nothing which predetermines the amount which will be allowed in. It is completely in the minister's discretion. What concerns me is this. If the United States exporters are not put out that so much discretion is being given to the minister under schedule III whereby materials may be banned entirely, why should they be put out with similar treatment of consumer goods in schedules I and II which are under these formulas? Why cannot we exclude United States goods entirely if the Minister of Trade and Commerce or the Minister of Finance sees fit? As I see it, there are two different principles operating under schedules I and II in the one case and under schedule III in the other.

Mr. HOWE: Schedules I and II deal with consumer goods which can be treated on a percentage basis. Schedule III deals with capital goods which are not susceptible to that. The item we are discussing here is airplanes. Does my hon. friend think it is sensible to say that, because we spent perhaps

$2,000,000 on airplanes last year, we shall cut it down to $1,000,000 this year? That would not be sensible, surely.

Mr. JACKMAN: There must be lots of these items that can be cut down.

Mr. HOWE: They could, but it would not be sensible. It is either a desirable investment or it is not. I do not think you can do it on a percentage basis.

Mr. JACKMAN: I am asking only for information.

Mr. HOWE: I am giving the facts. Take steel. Surely you would not say that, because we imported $100,000,000 worth of steel last year, we should make it $50,000,000 this year, or any item of a capital investment nature. It depends on so many factors. If you did it on that basis you might defeat the objective you were trying to achieve.

Item agreed to.

Customs tariff—440m ex (i) Unfinished parts of aircraft, n.o.p., for production use, not including parts for production of aircraft engines. (ii) Direct or inertia starters with or without related operating gear and parts thereof; generators; voltage control boxes; batteries; de-icing and anti-icing equipment and parts thereof, not including parts of rubber; vacuum pumps with related operating gear and parts thereof; landing and navigation lights; propellers; hydraulic jacks and pumps and parts thereof; aircraft wheels; aircraft brakes with related operating gear; aircraft tires and tubes; oil coolers; fuel pressure warning devices; exhaust gas analysers; pressure fire extinguishers; primer pumps; instruments excepting fuel contents gauges; bolts, nuts, cocks, turnbuckles, clevis and pins, swaged wires and tie rods; bars, tubes, extrusions and forgings of aluminium, aluminium alloys and magnesium alloys; steel tubing; all of the foregoing when of types and sizes not made in Canada and imported by manufacturers of aircraft for use exclusively in the manufacture in their own factories of the goods enumerated in tariff item 440l, under such regulations as the minister may prescribe.

440n. Engines, when imported for use only in the equipment of aircraft.

440o ex (ii) Parts, finished or not, n.o.p., for the production of aircraft engines.

ex 440p. Direct or inertia starters with or without related operating gear and parts thereof; generators; voltage control boxes; batteries; de-icing and anti-icing equipment and parts thereof, not including parts of rubber; vacuum pumps with related operating gear and parts thereof; landing and navigation lights; propellers; hydraulic jacks and pumps and parts thereof; aircraft wheels; aircraft brakes with related operating gear and parts thereof; aircraft tires and tubes; oil coolers; fuel pressure warning devices; exhaust gas analysers; pressure fire extinguishers; primer pumps; instruments excepting fuel contents gauges; bolts, nuts, cocks, turnbuckles, clevis and pins, swaged wires and tie rods; bars, tubes, extrusions and forgings of aluminum, aluminum alloys and magnesium alloys; steel tubing; all the foregoing when of types and sizes not made in Canada and imported for use exclusively in the manufacture of the goods enumerated in tariff item 440l under such regulations as the minister may prescribe.

Mr. SKEY: These four items deal with essentially the same problem. For a moment I should like to speak to the whole group by calling your attention, Mr. Chairman, to the fact that any United States aircraft operated in Canada at the present time must have replacement parts for the engines or equipment that are peculiar to it, to keep it flying. Therefore, going one step farther, since over 90 per cent of the aircraft in Canada is of a commercial or industrial type, I mean, being used as a public carrier or for transportation purposes, we are including all these items unnecessarily. In other words, we shall have the Department of Trade and Commerce making out hundred of thousands of permits for small minor items in order to penalize perhaps less than ten percent of the private owners—

Mr. HOWE: Replacement parts do not require permits. I have said that at least twelve times tonight.

Mr. FULTON: What additional requirement is contemplated which makes it necessary to put "under such regulations as the minister may prescribe" in this item, when there are so many other items on the schedule?

Mr. HOWE: It is the wording in the tariff item.

Mr. FULTON: The minister is not contemplating a different type of regulation for the aircraft industry?

Mr. HOWE: No.

Items 440m ex, 440n, 440o ex and ex 440p agreed to.

Item ex 442d agreed to.

Customs tariff—ex 443. Parts for the production of apparatus designed for cooking or for heating buildings: (1) for coal or wood; (2) for gas; (3) for electricity; (4) for oil; (5) n.o.p.

Mr. MacNICOL: I just want some assurance with regard to the manufacturers of unit heaters for the heating of buildings, the two largest manufacturers in Canada being in my riding who now manufacture almost totally in Canada their heating equipment but import some small parts from their parent organizations in the United States. What I want to be assured of is that they will still be permitted, either by licence or by quota, to import all the small parts they require to build their equipment. Each one of them

employs a large number of men and has an excellent plant.

Mr. HOWE: If they imported last year, they will be permitted to import this year. My hon. friend will not object if we put a little pressure on to have some of these parts made in Canada.

Mr. MacNICOL: They are anxious to do that. Furthermore, they both feel satisfied that if the minister is able to carry out the program he announced of persuading the United States government to permit shipment into the United States of equipment made by large United States branch plants in this country—that is, the large plants of United States companies that make identically the same material—they will be delighted to ship back to the United States again.

Mr. HOWE: Good.

Mr. MacNICOL: May I ask the minister if he has done anything along that line? He made that announcement, according to the paper, and these large plants are anxious and willing to assist, inasmuch as they make identically the same material.

Mr. HOWE: Nothing can be done about tariffs either way. Material manufactured in the United States and brought into Canada will have to pay our tariff, and material manufactured in Canada and going to the United States will have to pay the United States tariff. That is the hurdle they will have to take.

Mr. MacNICOL: I had so interpreted what the minister said at some meeting or the announcement which he made. I was quite in accord with it. Under the circumstances and owing to the state which the whole world is in and particularly because of the position of the Canadian dollar on account of the colossal price we paid in the great war—we were in the war two years before our United States cousins—I interpreted it to mean that perhaps they would be friendly and assist us to recover ourselves to the extent that they would allow the same material made by their branch plants in Canada to be shipped back into the United States market on some reasonable terms. I had hoped, from what the minister said, that this would be the result.

Mr. HOWE: As soon as the present agreements are out of the way—that is, the Geneva agreements—it is the intention of the government to approach the United States government to see whether a bilateral agreement can be worked out along the lines suggested by my hon. friend.

Item agreed to.

Item ex 443a agreed to.

[Mr. MacNicol.]

Customs tariff—ex 445. Complete parts of electric light fixtures and appliances, n.o.p., for production use.

Customs tariff—ex 445d. Complete parts of electric wireless or radio apparatus, n.o.p., for production use.

Mr. FULTON: Can the minister give us figures on these electrical items?

Mr. HOWE: Yes; electric light fixtures n.o.p., tariff item 445, $4,522,000; radio tubes, $1,750,000; radio apparatus, n.o.p., $6,486,000 or a total of $8,236,000 for the whole tariff item 445d.

Mr. FULTON: Am I correct in my recollection? I seem to recall that the minister made a statement, or that a statement was issued on his behalf, shortly after this program was first discussed, to the effect that the electrical manufacturing industry in Canada was one of those in which it was felt that substantial exports to the United States could be achieved. That is in my mind, but I have not been able to locate the statement. Was such a statement made?

Mr. HOWE: I was mentioning examples of proposals put forward by industries, and I mentioned the electrical industries and the progress they were making in that direction. They have found certain items which they could ship to the United States over the tariff barriers, and still do so profitably, and have arranged with the parent company to do so.

Mr. FULTON: Is the minister in a position to give us any report on the progress made along that line?

Mr. HOWE: We have not worked out a final formula with the electrical industry. It is an extremely complicated subject, as my hon. friend will appreciate. We are going at it just as we did with the automobile industry and we shall have a similar formula, with export incentive. But that formula is not yet completely worked out. We are also working on the radio industry, where improvement can be made. I think it is about a fifty-five per cent Canadian content industry. We hope to do a great deal on that.

Mr. JACKMAN: The minister mentioned the electrical industry as one in which we might be able to manufacture some parts in Canada and send them across the line. I am asking only for information because I do not know the facts; therefore I have no opinion, so please do not credit me with having one beforehand. Has the minister developed, on the positive side of his program, a real example where we in Canada are now to

manufacture an article for use in the United States where the parent company resides and has a mass market at its disposal, and where there is a tariff barrier to hurdle? I am asking only for an actual instance. How about typewriters?

Mr. HOWE: An example is a fountain pen manufacturer who has made Canada the base for the sole manufacture of two types of pens for sale in the United States and all parts of the world. That is one example.

Mr. JACKMAN: The parent company is in the United States?

Mr. HOWE: The parent company is in the United States, but the Canadian branch manufacture two types of pen exclusively. We have a typewriter company which some time ago put up to us the proposal to manufacture typewriters for shipment into the United States. We have a number of companies that have put up to us proposals to manufacture certain articles in Canada for shipment to the United States. I do not think I should state who they are here; this is not the place. But there is a great deal done in that direction and more is in prospect.

Mr. JACKMAN: It looks as if it will work and perhaps be of some substantial assistance?

Mr. HOWE: Yes.

Items ex 445 and ex 445d agreed to.

Items ex 445f, ex 445g, ex 445i, ex 445j, ex 445k, ex 445o, ex 445p and 445q agreed to.

Customs tariff—ex 446. Electric steam turbo generator sets, 700 h.p. and greater, of a class or kind not made in Canada; complete parts thereof for production use.

Mr. MacNICOL: This is another line of equipment, the use of which will continue to grow rapidly, particularly so now that there is such a shortage of electricity in Canada and further because of the apparent reduction in the flow of water in some of the streams on which electricity is now produced. Electric steam turbo generators are made in Canada, are they not? They are sold here anyway. I know quite a number of electric power plants that use them.

Mr. HOWE: Yes, they are made in Canada. Someone may want to know what the saving will be. May I say that I think we shall save on this, because I do not think anyone can put in an electric steam generator under present conditions of power shortage.

Mr. MacNICOL: That is one of the reasons why they would likely be used. In many parts of Canada—and I will not mention any of them just now; later on, on another occasion I intend to say a great deal on this subject—it will be imperative that plants be equipped for the production of cheap electricity in large quantities. We hear some hon. members say, "Oh, industry must be decentralized", and all such talk as that. That is wholly impossible unless power is available. There will be no decentralization of industry unless anyone wants to go into manufacturing can obtain cheap power in abundance.

Mr. HOWE: If my hon. friend would explain that to the Ontario Hydro Electric Commission, he would do more to accelerate this program of ours than anything else that could be done.

Mr. MacNICOL: Well if I may digress for a moment the Ontario Hydro Electric Commission is doing the best job it can. I do not intend to enter into the controversy that is going on in Toronto at the present time, but the minister knows as well as I do why they are short of power in Ontario today. The contracts made some years ago, which I knew a good deal about at the time, were cancelled by a previous government, and we were never able to have them restored. As the minister well knows, however, the Ontario Hydro Electric Commission will be turning into the wires, within a year's time, more or less, perhaps an additional million and a half horsepower of electricity. I am sorry the minister interjected that, because I do not like talking politics. I like to talk sincerely and earnestly. Now I carry on from where I left off. This seems a very small turbo generator, 700 horsepower. I did not think we used any that small in Ontario. We are using turbo generators in Canada of up to several thousand horsepower, and will be requiring much larger ones and many of them.

Mr. HOWE: I think my hon. friend misunderstands the nature of these generators. I believe these generators are used where electricity is cheaper than coal. They are used for surplus electricity. During pre-war years in certain areas, particularly in the Saguenay, there was surplus electricity which was sold below the price of coal. Certain electric steam generators were put in at that time. They are all out now, naturally, because there is a shortage of electric power, and you would never use electric power for generating steam if you had another use for it.

Mr. MacNICOL: No, not for generating steam.

Mr. HOWE: That is what these are.

Mr. MacNICOL: For generating electricity. The steam is produced in boilers, up to seven or nine hundred degrees Fahrenheit; and the steam pressure of several hundred pounds which passes through the turbo generators is for the production of electricity. If this is not the same equipment with which I am familiar, then I do not know just what it is. Does the minister say it is not used for the production of electricity?

Mr. HOWE: My hon. friend has in mind turbo generators.

Mr. MacNICOL: I know what a turbo generator is.

Mr. HOWE: We will put it this way. We are putting this item under permit so that we can control the use. If it is a good use we will grant a permit; if it is not an essential use we will not. That is about the size of it. If some of these plants have to come in to supplement hydro electric, then certainly we will grant permits for the turbo generators, if they are what you think they are. I think it is the reverse, that they generate steam from electricity; but whichever it is, if it is a good use and it is required, we will admit it.

Mr. MacNICOL: All these high pressure plants today burn powdered coal fired into boilers carrying a high pressure of steam at a very high Fahrenheit. Those of the type I am talking about are something into which I made an exhaustive investigation last fall, which involved a terrific amount of travel. I wanted to learn all I could about these plants, and I travelled over a large part of America, covering many thousands of miles. I investigated many of these plants to see how cheaply they were producing electricity by the use of powdered coal in the sort of boilers I have mentioned; and I know they used turbo generators because I saw that name on their side. I believe we have many of them here in Canada; and, as I said before, if this is the same type of equipment I have in mind I predict it will not be long before many large power houses will be equipped with high pressure powdered coal fired boilers and turbo generators. That is the only way they can do it. I am all for bringing them in if they are not made here; I am not opposing the item at all. I was only hoping this had to do with what I have in mind, and what on another occasion I shall advocate as strongly as possible.

Item agreed to.

[Mr. Howe.]

Customs tariff—ex 446a. Manufactures, articles or wares, of iron or steel or of which iron or steel or both are the component materials of chief value, n.o.p., of a total invoice value in excess of $200.

Mr. TIMMINS: This seems to be another of what I think the minister called the basket items. I wish he would explain this to us, because it seems to me somewhat the same language as we saw before.

Mr. HOWE: Yes, this is a big item, amounting to $40.668,000. It includes forgings, castings for railway vehicles, roller chains, hardware n.o.p., locks, bicycle parts, frames for bicycles, drums, barrels and tanks, valves, iron and steel n.o.p., manufactures of iron and steel n.o.p., radiators of cast iron, parts for the manufacture of shuttles, hinges for jewelry boxes and so on. This is a basket item of the kind that offers considerable savings under a permit system.

Mr. TIMMINS: I understand that we now manufacture a great many of those products in Canada?

Mr. HOWE: That is right.

Mr. TIMMINS: And we would manufacture more if we had more steel and iron. What does the minister propose to do? We need the articles; does he propose to cut off the steel and iron?

Mr. HOWE: I thought we had that discussion out. I told my hon. friend that we did not expect to save anything in iron and steel.

Mr. FRASER: This would include cut nails and wire nails coming from the United States, would it?

Mr. HOWE: No.

Mr. FRASER: Nails are included in this item, are they not?

Mr. HOWE: No.

Mr. FRASER: Why not?

Mr. HOWE: Because they are not in the item. There is a specific item covering nails. They are not in this list, and they are not prohibited.

Mr. FRASER: We are short of them, and I wanted to make sure.

Item agreed to.

Items ex 446g, 447a, 447b, 459, 461 and 461a agreed to.

Customs tariff—ex 462b. Cinematograph and motion picture cameras, 35 mm., for use by professional motion picture producers having studios in Canada equipped for motion picture production; parts of the foregoing for production use.

Mr. FULTON: Before we come to the last item, would the minister be kind enough to tell us if there is any substantial import figure he has not yet given us or which we have not stopped and asked him for. Would he have a quick look over the schedule to see?

Mr. HOWE: I think I have named the big items.

Mr. FULTON: I mean the main ones.

Mr. HOWE: Yes. I do not see any here that were not discussed. The basket items are the big ones. A number of the others run to four or five million dollars.

Mr. FULTON: Would the minister give the figure for item ex 446a? I am sorry; I did not catch it.

Mr. HOWE: I gave the figure; $40,688,000.

Mr. MACDONNELL (Muskoka-Ontario): Will the minister now give an over-all figure, without any particular detail, just stating what he thinks may be a reasonable objective for a total saving?

Mr. HOWE: Well, as I have stated, it depends wholly upon the increase in exports. If we are able to increase exports the saving will be less. We have increased exports; we have a drive on with that objective, but it is difficult to take the one without having regard to the other.

Mr. MACDONNELL (Muskoka-Ontario): I should have thought this division could have been made; it is what I am interested in, and I think it is important. I should have thought the minister could say how much he thinks we might make without exports, and then how much additional he thinks we might reasonably expect if we could increase exports. Is that a possible figure to give.

Mr. HOWE: Calculations could be made on a sliding scale. But it is very hard to pick a figure out of the air. As I said, the first estimate of the saving from this program was $100,000,000. I think it will be more than that. I think $150,000,000 would be a reasonable figure, and that would allow for a considerable increase in exports. On the other hand, my hon. friend realizes that, as exports increase, the possibility of savings on imports drops.

Mr. JACKMAN: How much net do you want?

Mr. PROBE: Just buying a pig in a poke.

Mr. HOWE: Just put it down that we do not know; that is the simplest way.

Item agreed to.

Item 657a agreed to.

Schedules I, II and III as amended agreed to.

The DEPUTY CHAIRMAN: Shall the title carry?

Mr. JACKMAN: May I ask the combined ministers if they would care to give an expression of opinion as to how much they would consider reasonable the righting of our exchange position before we can get away from these conservation restrictions which will undoubtedly interfere a great deal with Canadian business?

Mr. GIBSON (Comox-Alberni): A good question.

Mr. ABBOTT: I suppose we cannot both answer in chorus. I would not care to put a figure on it. The time at which we shall be able to relax and ultimately do away with restrictive measures, part of which are covered by this, will depend upon the time when our reserves are restored to a more reasonable and proper position. But when that will be I do not know. I have hopes, but I do not know that it is particularly useful or desirable that I should voice them here.

Mr. JACKMAN: Would you like to name a sum?

Mr. ABBOTT: No, I will not name a sum either. Our reserves today are lower than they should be and much lower than I would like to see them. Until they are restored to a more reasonable figure, and until we are convinced that there is a reasonable prospect of their continuing at that figure, I think we shall have to contemplate the continuance of some measure such as this.

Mr. FRASER: How many permits has the minister issued so far under this? It has been in operation since November 18. You have issued permits, or told people to give them.

Mr. HOWE: Exactly no permits. I had no authority to issue them.

Mr. FRASER: Somebody has issued them.

Mr. HOWE: Perhaps the Minister of Finance has; I have not.

Mr. JACKMAN: Ministerial letters.

Mr. FRASER: They are ministerial letters which have been sent out.

Mr. HOWE: The Minister of Finance tells me that he has issued a few in the automobile—

Mr. ABBOTT: No, I have not issued them.

Mr. HOWE: A few have been issued, I will put it that way, in the automobile schedule, but not over my name, because I have no authority. Now that the opposition has become more reasonable, I can start in a few days.

Mr. TIMMINS: The minister cannot get away with that. There are those under appendix IX of P.C. 4678; none of them has been issued. One of the ministers has authority, but they have not seen fit to use that discretion.

Title agreed to.

Bill reported.

Mr. SPEAKER: When shall the bill be read a third time?

Mr. ABBOTT: Next sitting.

WAYS AND MEANS

EXCISE TAX ACT AMENDMENT

The house in committee of ways and means, Mr. Golding in the chair.

That it is expedient to introduce a measure to amend the Excise Tax Act and to provide:

1. That on and after November 18, 1947, there shall be imposed, levied and collected an excise tax of twenty-five per cent (25%) on the following goods imported into or manufactured or produced in Canada: (a) the following electrical appliances, grills, waffle irons; hot plates; roasters; kettles; chafing dishes; food or drink mixers; juice extractors; coffee makers; toasters of all kinds; portable humidifiers; curling irons or tongs; hair dryers; permanent waving machines and spacers or clamps; rods and heaters therefor; razors and shavers; food choppers and grinders; irons and ironers; vacuum cleaners and attachments thereof; garbage disposal units; floor waxers and polishers; (b) electric or gas refrigerators or freezing equipment, and coils, condensing or compressor units, cabinets, boxes, evaporators and expansion valves therefor; air conditioning cooling or filtering equipment, and complete parts thereof; oil burners and oil burning equipment; all the foregoing when adapted to household or apartment use or when for use in places of entertainment, amusement or recreation, including rinks, auditoria, halls and clubs; (c) articles and equipment designed for use in golf, tennis, badminton, squash, racquets, polo, billiards, pool, bowling and curling; fishing rods and reels; (d) firearms except for military or police purposes; (e) engines or motors for use in boats or vessels, except when the boats or vessels are to be used exclusively in commercial or industrial enterprises; (f) outboard motors; (g) motorcycles, and all other two- or three-wheeled motor-driven vehicles including motors for attachment to bicycles but not including vehicles designed for use by invalids; (h) musical instruments of all kinds, not including organs for churches; (i) projectors for slides, films or pictures designed for industrial or professional photographers' use; and (j) toilet articles of all kinds, including combs, mirrors and brushes except tooth brushes, not coming with any other item in schedule one of the said act.

2. That on and after November 18, 1947, the rate of excise tax on automobiles adapted or adaptable for passenger use with seating capacity for not more than ten persons each, imported into or manufactured or produced in Canada be increased from ten per cent to the following rates, namely, on automobiles valued at $1,200 or less, 25 per cent over $1,200 but not more than $2,000, 25 per cent on $1,200 plus 50 per cent on the amount in excess of $1,200; over $2,000, 25 per cent on $1,200 plus 50 per cent on $800 plus 75 per cent on the amount in excess of $2,000.

3. That on and after November 18, 1947, the rate of excise tax on phonographs, record-playing devices, radio broadcast receiving sets and tubes therefor, be increased from ten per cent to twenty-five per cent.

4. That on and after November 18, 1947, the rate of excise tax on cameras, photographic films and plates, projectors for slides, films or pictures, except those designed exclusively for industrial or professional photographers' use, be increased from ten per cent to twenty-five per cent.

5. That on and after November 18, 1947, electricity and gas used in dwellings be exempt from consumption or sales tax; and

6. That on and after November 18, 1947, the excise tax of one per cent per pound on sugar, grape sugar, glucose, sugar syrup, corn syrup, etc., be repealed.

Hon. DOUGLAS ABBOTT (Minister of Finance): Mr. Chairman, before we proceed to discuss this resolution dealing with excise taxes I shall ask one of my colleagues to move an amendment which will affect a considerable number of items. As a matter of procedure, it might be helpful to the committee if I now gave a general explanation of the changes, giving the main reasons for them. I shall then have available for distribution mimeographed copies of the resolution in its amended form.

The DEPUTY CHAIRMAN: I wonder if the minister could make available copies of the amendments, so that the leaders could see them.

Mr. ABBOTT: I am saying that as soon as I have completed my preliminary statement I shall have mimeographed copies available.

Mr. MacNICOL: We shall have them tomorrow?

Mr. ABBOTT: Yes. That will enable the committee more easily to see the results of the amendments which will be moved.

I have stated on previous occasions in connection with this tax program that I hope to be

able to adapt it to the changing needs and circumstances of a situation to which I have been devoting the closest study, and to introduce relaxations or modifications from time to time where I felt that changes could be made without doing injury to our main purpose. I must say that in several cases, after discussing the matter fully with the representatives of an industry, and an exchange of views of mutual benefit, I have decided that, on balance, the tax should not be imposed.

An instance of the sort of consideration which has moved me to amend the application of the tax has been where there already exists an export flow of Canadian goods to the United States or where manufacturers have given assurance of such an export and this export of goods was jeopardized by the imposition of the excise tax. Such a situation can arise because of a procedure followed by the United States customs authorities in determining the dutiable value of an import into the United States for purposes of their tariff.

Under this procedure the amount of such a tax as our 25 per cent excise tax is added to the value otherwise subject to duty, with a consequent increase in the total duty payable. On balance, as a result of this procedure in several instances we stood to suffer a loss of exports to the United States, and it is for this reason that I am proposing that the tax be not imposed in the case, for example, of sporting goods, oil burners and oil burning equipment, hot plates and grills.

Another group of changes have the effect of limiting the tax to the household use of the articles concerned, where it was felt that the tax should not be applied to certain classes of capital equipment. Accordingly, the tax will have this more limited application in the case of food or drink mixers, food choppers or grinders, irons and ironers, vacuum cleaners, floor waxers and polishers.

Mr. FULTON: Washing machines?

Mr. ABBOTT: No, they are not in general industrial use, and never were. I am saying that the tax is being relaxed. We are limiting the tax, generally speaking, to the household use of the articles concerned; and where they are in the nature of capital goods, used in industrial enterprise, as part of the cost of production, the tax is not being imposed.

In other cases which were gone into carefully it was established to my satisfaction that undue hardship either to consumers or producers would have resulted from the tax, and for this reason I have decided not to ask the committee to impose a tax in these cases. It was because of consideration of this sort that I have withdrawn my recommendation for a tax on musical instruments.

From the resolutions as amended, the committee will see that, although I have been willing to adjust the tax program where it seemed reasonable to do so, the main body of the program as I announced it on November 17 remains substantially intact. The tax will cover the important range of items such as automobiles, motor cycles, radios and phonographs, refrigerators, vacuum cleaners, outboard motors, firearms, miscellaneous electrical appliances, projectors, cameras and films and some toilet articles.

Just to have it in the proper form, I will ask one of my colleagues to move the amendment which will put into effect the changes which have been decided upon since I moved the resolution on December 19.

Mr. HOWE: I move accordingly:

That the resolution to amend the Excise Tax Act now before the house be amended as follows:

1. By deleting from paragraph (a) the following: "grills; hot plates; food or drink mixers; food choppers and grinders; irons and ironers; vacuum cleaners and attachments therefor; floor waxers and polishers;"

2. By inserting the following paragraph immediately after paragraph (a) as paragraph (b): "(b) The following electrical appliances when adapted to household use; food or drink mixers; food choppers and grinders; irons and ironers; vacuum cleaners and attachments therefor; floor waxers and polishers;"

3. By relettering paragraph (b) as paragraph (c) and deleting therefrom the following: "air conditioning, cooling or filtering equipment, and complete parts, therefor; oil burners and oil burning equipment;"

4. By deleting paragraph (c).

5. By deleting paragraph (e) and relettering paragraph (f) as paragraph (e);

6. By deleting paragraph (g) and substituting therefor the following:

"(f) motor cycles and all other two or three wheeled motor driven vehicles, including motors for attachment to bicycles, but not including vehicles specially designed for carrying goods or for use by invalids;"

7. By deleting paragraph (h) and relettering paragraph (i) as paragraph (g);

8. By deleting paragraph (j) and substituting therefor the following:

"(h) Toilet articles of all kinds (including combs, mirrors, and brushes other than tooth brushes or shaving brushes, the duty paid value or the Canadian manufacturer's selling price of which combs, mirrors and brushes is more than twenty-five cents each,) and which items do not already come within any other item in Schedule one of the said Act."

Mr. ABBOTT: I am having distributed copies of what might be termed the consolidated resolution; that is, the resolution with the amendments which have been moved incorporated.

Mr. THATCHER: I should like to say a few words on this resolution. In effect, the minister is asking us this evening to approve an order in council which was passed on November 18 last. The effect of that order in council was to impose a 25 per cent tax on a long list of articles.

Mr. ABBOTT: I am sure my hon. friend wants to be technically correct. There has been no order in council passed with respect to taxes.

Mr. THATCHER: It has been applied.

Mr. ABBOTT: There has been a notice given that we intended to ask parliament to impose these taxes.

Mr. KNOWLES: This government does not need orders in council any more.

Mr. JACKMAN: Government by notice.

Mr. THATCHER: This order in council has been applied.

Mr. ABBOTT: No order in council at all.

Mr. THATCHER: It applies a tax of 25 per cent on a long list of articles like electric irons, washing machines, refrigerators, and things of that kind. May I say at the outset, that I feel this levy is unnecessary. I think it is an inflationary and vicious tax. Moreover, it has been introduced in an extremely arbitrary way, and in a manner which, in my opinion, is contrary to the laws of this country. For more than 700 years, since the time of King John and the Magna Carta, it has been a recognized principle in all British nations that only parliament can impose taxation on the people. One of the kings of England lost his head because he tried to deviate from that principle. It would seem that the Minister of Finance does not consider it necessary to follow the lessons of history. Apparently the Minister of Finance is trying to turn back the clock a few hundred years. On November 18 last he imposed by order in council, or he applied by a notice of some kind, a tax of 25 per cent on a long list of commodities.

Mr. ABBOTT: No order in council; no taxes yet imposed.

Mr. THATCHER: Parliament was not in any way consulted about that tax. Parliament has not approved that tax even tonight. Yet the tax has been collected by the minister's officials for over two months. What is the significance of that? It means that executive government, as represented by the minister, by his officials, by his assistants, most of whom are not members of parliament, has imposed a tax on Canadians arbitrarily and autocratically. The minister is only asking parliament for approval two months after the tax went into effect.

I suggest that if this resolution goes through, perhaps a few years from now, the government will decide that it can put through taxes without even bothering to come to parliament for approval. Surely that is conceivable. If this resolution is passed, we shall have created a precedent, which will mean that, in the future, the government will be able to impose taxes and then, three months or six months afterwards, come to parliament and say, "We have imposed these taxes; approve them." I think even members on the government side will object to that usurping of parliament's authority. I ask the hon. member for Comox-Alberni what he thinks of it.

Mr. GIBSON (Comox-Alberni): I do object.

Mr. THATCHER: The hon. member has voted many times against the government. I hope he will make a statement as to whether he likes this usurping of parliament's powers.

Mr. GIBSON (Comox-Alberni): I have not the eloquence of my hon. friend or I would.

Mr. THATCHER: What has the minister to say about this taxation by order in council?

Mr. ABBOTT: No order in council.

Mr. THATCHER: I should like to quote what he said, as reported on page 359 of *Hansard* of December 16, 1947:

> I say I am not claiming the right to tax the Canadian people. It is nothing more than a notice that the tax will be imposed if parliament approves.

I wonder if the minister is trying to kid someone.

Mr. ABBOTT: It is done every year when the budget is presented.

Mr. THATCHER: Notice his statement:

> It is nothing more than a notice that the tax will be imposed if parliament approves,

I say that statement of the minister is not a correct one.

Mr. ABBOTT: Absolutely correct.

Mr. THATCHER: Parliament at this moment has not approved; yet these taxes have been collected for more than two months. Anyone who tries to purchase a washing machine or a refrigerator or one of the items affected will soon find out whether the amount of money involved is a "notice" or whether it is a "tax". Ask any housewife. The minister in his speech just claimed that the levy was

only a "notice". However, a little later on, he decided that, after all, it might be a tax, because he said:

I shall ask parliament to make this tax retroactive.

The minister then proceeded to argue that the notice was a tax, but that, after all, there is nothing wrong with taxing by notice.

Mr. ABBOTT: No order in council.

Mr. THATCHER: The minister says the tax was imposed as is done when the budget resolutions are tabled. May I suggest that the way in which this excise tax was imposed is completly different from the way in which budget resolutions are brought down. When budget resolutions are involved the taxing authorities are notified the night the budget is brought down that the resolutions are before parliament and that the officials are to start collecting the tax. In the present case, the taxing officials were notified that the tax would be brought before parliament in the future, but they were instructed to collect the tax immediately. I ask the committee to note the difference. In the case of the budget, "the taxes are before parliament"; in the case of the excise tax, "the taxes will be brought before parliament", perhaps a month, perhaps three months, or perhaps a year from now. In the meantime collect the tax—those were the instructions given to the tax officials.

I suggest that the issue involved in the resolution before us tonight is clearcut: Are Canadians to be taxed by arbitrary order in council, or are they to be taxed by their democratically elected parliament? That is the issue, and I challenge any member of this house to say that is not the issue. I know that many members on the government side of the house were more surprised than members of the opposition when the minister brought down this excise tax. If they are still angry, let me suggest that the way to register their anger is by voting against this resolution.

What about the tax itself? In the first place, I would suggest that if ever there was an inflationary tax brought before this parliament, this is one. When parliament was called into emergency session less than three months ago, the members were told by the government that one of the main reasons for calling this emergency session was to cope with the problem of the rising cost of living. We were here only a few weeks when the price spreads committee was set up, to investigate why prices were going up and how we might bring them down. The committee was given fairly wide powers, and it is today calling witnesses from all over Canada. I would suggest to the chairman of that committee, the Minister of National Health and Welfare, if he were here, that he is overlooking the star witness, the man who has contributed more than anyone else to high prices in Canada—the Minister of Finance.

Some hon. MEMBERS: Hear, hear.

Mr. PROBE: Off with his head.

Mr. THATCHER: For a year or two I have listened to the Minister of Finance telling Canadian businesses that they must keep prices down. He preaches one thing, but in actual practice he does precisely the opposite. He adopts a policy which forces prices up. I challenge the price spreads committee to subpoena the Minister of Finance. Let him try to justify before that committee the recent price increases in washing machines, refrigerators and other electric appliances. Let him explain the adverse effect which this tax is having on the cost of living. In taxing these necessities of life 25 per cent, the minister is adding to the cost of living and pushing the spiral of inflation that much further upward.

In addition to being inflationary, this is a vicious tax. It is an indirect levy which bears most heavily on the little man who can least afford to bear it. It hits him at a time when he is finding it ever more difficult to meet the rising cost of living. This tax hits the veteran who is trying to start up a home. It hits young married couples who are starting up housekeeping. It hits the small taxpayer.

What reason does the minister give us for this tax? Look at the explanation given by the minister at page 336 of *Hansard,* where he said:

The first and primary purpose is to discourage the sort of expenditure which adds to our imports from the United States.

In other words, if I understand the matter correctly, many of these articles, refrigerators, cars, washing machines, and so forth, which are made in Canada, use a certain number of United States parts. I can understand the necessity of keeping these expenditures at a minimum. But surely it would have been more equitable to put these articles and parts on a quota basis, instead of imposing on Canadians this excise tax.

The minister went on to say:

Without these taxes, prices of many of the articles affected could have risen a good deal, to the benefit of the manufacturers and distributors.

The minister knows very well that this would not have been so, if price controls had been reimposed on these articles. I submit to the committee that if these articles had been put on a quota basis in the bill we have just been discussing just as much or more United States exchange would have been saved as by imposing this excise tax.

What was the minister's second reason for this tax? I quote from page 336 of *Hansard* again:

> . . . to limit so far as practicable the degree of discrimination against regular suppliers in the United States and their dealer organizations in Canada.

What kind of reason is that? Is it a reason dictated by some bureau in Washington? Apparently the minister and the government are willing to discriminate against the small Canadian taxpayer, against the veteran, against the housewife, but they will not discriminate against United States business firms.

I quote again from the minister's statement:

> By imposing these excise taxes, we are doing something to protect the legitimate longer-range interests of these businesses.

In effect, the minister says: Discrimination against Canadians is regrettable but it is all right; but under no circumstances shall we discriminate against United States business firms. I submit that the minister's second reason for this excise tax is not a good one.

But his third reason is even weaker than the other two. His third reason is the need for more revenue. He says, at page 336 of *Hansard*:

> . . . additional revenue will not be unwelcome. . .
> . . . our budget position, though good, is not as good as many popular reports would have it.

It has been estimated that the government will have a surplus this year of approximately three-quarters of a billion dollars. If I am correct the government is taking over a billion dollars, or almost 40 per cent of the total taxation, in indirect taxes, and now it proposes further to increase the load on the people of small means who can ill afford to pay. At a time when the government is showing such a huge surplus, a surplus which, I believe, is greater than all the other surpluses put together since confederation, surely it cannot say that it needs more revenue. That cannot be used as an excuse for this kind of tax.

I dislike exaggerated statements and I try not to make them. I hope I am not making one now when I say that, in my opinion, if the government imposes this tax it can be accused, in view of its huge surplus, of being guilty of legalized robbery of the taxpayers of Canada. This party will do all in its power to defeat the resolution. We shall vote against it.

[Mr. Thatcher.]

Mr. ABBOTT: I should like to deal with one or two points just raised by the hon. member for Moose Jaw. First, as to the illegality of the tax, I made it perfectly clear in my radio address, and again in the house, that in announcing the imposition of this tax the government was giving notice to the people of Canada who would be affected by it that parliament would be asked to impose this tax and impose it retroactively to the night I made my announcement.

As the committee knows, the usual budgetary practice is for the Minister of Finance to bring in his budget resolutions and make his budget speech when the house is sitting. The resolutions are tabled and notice is given that the taxes will be effective as from that day, although in fact they may not be approved by parliament for six weeks or more.

It is quite true that I made my announcement on November 17 when parliament was not sitting, but I stated in my radio broadcast on November 17 that parliament had already been called into emergency session for December 6 and that these resolutions would be brought before parliament as soon as it convened. And they were. So that in fact the notice which is ordinarily given under budgetary practice in this house was given two weeks ahead for obvious reasons. If this tax were to be part of the government's emergency exchange conservation program and were to be announced at the same time as the other measures, it is quite clear that notice had to be given that parliament would be asked to make the tax effective as from that day. It is quite clear that it had to be; that notice had to be given that the resolutions would be made effective; that parliament would be asked to make them effective as from that date, or individual persons could have derived a great deal of advantage from them.

The committee may criticize that procedure; they may say that it is improper, if they will. I do not think it was in the circumstances; but in essence, it is exactly the same procedure as is followed when the budget is brought down, save that we anticipated the calling of parliament by some ten days or two weeks.

Now, with regard to the excise taxes being inflationary, I do not agree that they are inflationary. I think that they are just the reverse; that they are deflationary, if anything. One of the means of combatting inflation, when there is an excess of purchasing power,

is by imposing taxes such as these that drain off purchasing power. Far from their being inflationary, they will have, if anything, a deflationary effect.

Mr. MacINNIS: Does not every increase in price do the same thing?

Mr. ABBOTT: Precisely. Every increase in price does the same thing.

Some hon. MEMBERS: Oh, oh.

Mr. ABBOTT: That is all right. All the experts on inflation seem to be sitting in this house. The particular articles that are included in this list are not, in their essence, necessities of life. In the great majority of cases they are articles, the purchase of which the people can defer for a time. On the other hand, if they wish to spend their money on a motorcar, a motorcycle, or a new refrigerator, then they have that much less money to spend on other goods which are in short supply and thereby drive up the prices. I do not wish or desire to get into an argument tonight on whether the taxes are inflationary or not. I make the assertion here that they are not inflationary. My hon. friend says they are.

It is true that references have been made to increases in taxes, but in the discussion of this matter I have not heard a single hon. member on any side of the house refer to the taxes which were removed at the same time that these taxes were announced. I refer to the sales tax on domestic sales of electricity, which affects practically everyone in this country who uses it, and the removal of one cent a pound tax on sugar, which affects pretty nearly everybody in this country. Nobody has made any reference to these. In my broadcast speech I mentioned that these taxes were being taken off some of the necessities of life; I emphasized that the primary purpose of this special emergency tax was not for revenue, and I demonstrated that in part at any rate, by removing these other taxes. Hon. members who pay electric light bills—and I suppose most of them do—have already noticed the tax reduction on their bills, and that is something which will go on for month after month and year after year. These emergency excise taxes are admittedly temporary taxes. As I say, I do not want to make a long speech tonight, but I did want to answer these two points which were raised by the hon. member for Moose Jaw.

Mr. MACDONNELL (Muskoka-Ontario): It was our thought when, perhaps by an excess of the Christmas spirit, we allowed ourselves to go into committee just before Christmas, that the proper course to follow was to deal with the details of the bill and we were not going to make any speeches until second reading. Since the matter has been brought up, I should like, even in the few minutes that are left, to deal with one point which has been made by the hon. member for Moose Jaw. May I preface that by saying I am astounded more than I can say to hear the Minister of Finance say that there is really no difference between the situation which arises when the budget speech is made, the effect of which we all know, on the one hand, and what was done last November 17 when the minister did not, as he said, pass an order in council, but said that a request would be made. I am maintaining that there is all the difference in the world, a practical difference, in the two. When the Minister of Finance rises in his place in this house and reads his budget speech, it is quite true that the resolutions are put forward and then they become law in the form of bills in perhaps some weeks or months. But from that very moment it is competent for hon. members to say. We will have none of it. It is competent for parliament to say that. It does not very often happen because, after all, the government has its majority; it brings in these bills, and of course they go through in practically every case.

Mr. ABBOTT: If they did not the government would be defeated.

Mr. MACDONNELL (Muskoka-Ontario): I maintain there is a whole world of difference. When they come before parliament it is competent for the elected representatives of the people then and there to say, We will not have it. If they do not do that, by acquiescence they really support them.

Mr. ABBOTT: They cannot do it without a vote.

Mr. MACDONNELL (Muskoka-Ontario): On the other hand, what do we have here? We have a minister three weeks before parliament is assembled, and it might have been, on the same line of reasoning, three months or six months, making the announcement over the air. To suggest in any way that this is comparable with what takes place when the budget is announced is to compare two things that are entirely unreal. The practical difference is also very great. I agree with what the hon. member for Moose Jaw said. It is quite true perhaps he made a verbal slip with regard to the order in council; but I felt badly that there should be ministers of the crown sitting in this house and regarding this apparently as a joke. It is a tremendously serious thing, and it seems to me that it

should be so regarded. There should be no doubt whatever that what was done last November was a most improper thing, and incidentally there was no reason for it. The minister has told us that they were considering this months ahead. There was any amount of time to have summoned parliament and to have done the thing in the proper way which has the sanction of centuries behind it.

As the hon. member for Moose Jaw said, this precedent can be used by governments that might be even much worse than this government—

An hon. MEMBER: That is not possible.

Mr. MACDONNELL (Muskoka-Ontario): —and have philosophies that this government would greatly reprobate, just as I would reprobate them. Unfortunately this is a predent which has been set, Mr. Chairman. May I call it eleven o'clock?

Mr. BRACKEN: Before the committee rises, I should like to ask the Minister of Finance one question. A moment ago he was dealing with the propriety of collecting if not imposing taxes, as was done on November 17, by decree, by address, by a speech over the air, as compared with doing it when the budget is brought down. He was defending the action he had taken. The question I want to ask is this. Can he tell the committee of any single instance in the history of Canada or in the history of Britain, where a tax has been imposed and collected in this way by an address of the minister when the house was not in session?

An hon. MEMBER: Charles I.

Mr. ABBOTT: I do not know about the history of Britain. So far as I know, there has never been a case in Canada where notice of the proposed imposition of taxes has been given prior to the calling of parliament, when parliament was not in session, and notice given at the same time that it would be made retroactive, that parliament would be asked to make it retroactive.

Mr. CRUICKSHANK: Bennett did it in the sugar tax and they all profited by it.

Mr. BRACKEN: That is a good precedent.

Progress reported.

BUSINESS OF THE HOUSE

Mr. BRACKEN: May I ask the minister what the business will be tomorrow?

Mr. ABBOTT: We shall take first second reading of the farm improvement loan measure which was given first reading today. No, perhaps, first, we might take third reading of Bill No. 3, which was given second reading today; then, second, when that is concluded, second reading of the farm loan improvement measure; after that, continuation of discussion in committee on the tax resolution which we have been considering this evening. Assuming they are finished, we then might proceed with second reading of Bill No. 7, which is the gold measure.

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

APPENDIX

AVERAGE IMPORTS, 1937-39—FOODS COVERED BY SCHEDULE II
(In thousands of dollars)

Quota—Category 1—Fruit and Vegetables — 12 Months Ended June 30, 1947

Tariff Item	Statistical Item	Scheduled countries	Non-Scheduled countries	Total	Scheduled countries	Non-Scheduled countries	Total
83	123 Potatoes, sweet	154	1	155	597	.....	597
	125 Potatoes, n.o.p.	376	5	381	946	.....	946
	133 Potatoes, dried	50	1	51	16	.....	16
84	122 Onions and shallots	218	110	328	726	93	819
93	1 Apples, fresh	182	123	305	759	1	760
100	6 Grapefruit, fresh	1,202	112	1,314	3,761	38	3,799
100a							
101, 101b	13 Oranges	5,996	534	6,530	21,072	16	21,088
101a	9 Lemons	1,146	246	1,392	2,301	147	2,448
102	10 Limes	5	22	27	11	15	26
152	77 Fruit juices, n.o.p.	.....	.....	.....	3,858	168	4,026
152b	78 Grapefruit juice	713	103	816	3,055	159	3,214
	79 Pineapple juice	.....	.....	.....	354	49	403
	80 Fruit syrups	.....	.....	.....	329	4	333
	Totals	10,042	1,257	11,299	37,785	690	38,475

Quota—Category 2—Textiles

523, 844	3031 Cotton fabrics not bleached, mercerized or coloured	1,130	1,102	2,232	25,308	268	25,576
523a	3032 Canton flannels, plain shirtings, not coloured	14	152	166	6,845	120	6,965
	3033 Towelling in web, not coloured	1	10	11	47	6	53
	3034 Voiles, scrims, etc., not coloured	5	16	21	582	35	617
	3035 Cotton fabrics, n.o.p., not coloured	159	427	586	3,584	252	3,836
523b	3029 Cotton denims, for garments	.....	.....	.....	821	.....	821
	3026 Coloured cotton fabrics, over 80c	1,869	3,442	5,311	30,284	1,862	32,146
	3027 Coloured fabrics cotton, 50-80c	.....	.....	.....	508	19	527
	3028 Coloured cotton fabrics, less than 50c	.....	.....	.....	18	.....	18
523c	3039 Cotton fabrics, 100 counts or over	1	510	511	2	.....	2
523e	3040 Cotton fabrics with cut pile (velveteen etc.)	77	246	323	2,772	40	2,812
523j	3046 Shadow cretonnes	1	68	69	.....	5	5
523k	3047 Cotton garbadines	1	72	73	256	59	315
523l	3048 Cotton fabrics, 80-99 count	.....	62	62	.....	.....	.....
524a	3049 Fabrics with cut weft pile	.....	432	432	.....	693	693
528	3055 White cotton bobinet	.....	15	15	.....	.....	.....
529	3053 Cotton embroideries n.o.p.	12	8	20	278	22	300
	3054 Lace, bobinet, nets and netting, n.o.p.	27	294	321	356	1,237	1,593
	3090 Fringes and tassels, cotton	10	1	11	21	.....	21
529a	3051 Lace for mfgs. uncoloured	65	71	136	765	110	875
530	3052 Lace for mrfs. coloured	29	88	117	228	51	279
531	3045 Knitted cotton fabric	20	.....	20	817	227	1,044
532	3066 Shirts, cotton	40	12	52	315	54	369
	3068 Cotton clothing, n.o.p.	.....	.....	.....	586	283	869
	3069 Cotton dresses	522	295	817	213	89	302
	3070 Cotton smocks and overalls	.....	.....	.....	35	11	46
	3082 Cotton bags	16	7	23	237	.....	237
	3085 Cotton laces	1	5	6	.....	.....	.....
	3087 Cotton curtains	72	248	320	363	120	483
	3088 Cotton diapers, napkins, etc	41	243	284	496	488	984
	3094 Quilts and counterpanes	151	113	264	312	51	363
	3095 Cotton sheets	33	283	316	1,872	47	1,919
	3096 Cotton towels	116	344	460	1,664	180	1,844
	3097 Cotton mfrs. n.o.p.	306	279	585	1,100	136	1,236
	3098 Wash cloths and bath mats	.....	see 3088	.....	120	3	123
532	3100 Cotton pillow cases	.....	see 3096	.....	514	151	665
	3472 Cotton fabric rubberized	102	35	137	36	78	114
	3473 Cotton window shade cloth	6	15	21	73	12	85
	3474 Cotton fabrics, coated or impregnated	474	153	627	1,229	138	1,367
	3487 Typewriter ribbons	22	2	24	52	14	66
532a	3091 Cotton handkerchiefs	126	546	672	498	536	1,034
532b	3050 Cotton fabrics for covering books	16	18	34	99	1	100
541a	3135 Woven fabrics wholly of jute n.o.p. (coloured)	1	53	54	40	19	59
542	3138 Woven fabrics, veg. fibre, cut pile	16	68	84	30	43	73
542a	3137 Woven fabric, up to 12″	45	129	174	695	266	961
545	3180 Veg. fibre, mfrs. n.o.p.	306	606	912	1,316	271	1,587
546	3179 Jute mfrs. n.o.p.	4	9	13	19	10	29
	3478 Jute fabric, coated or impregnated	2	4	6	10	3	13

Quota—Category 2—Textiles—*Con.*

Tariff Item	Statistical Item	Scheduled countries	Non-Scheduled countries	Total	Scheduled countries	Non-Scheduled countries	Total
548	3162 Clothing of veg. fibre	71	34	105	31	19	50
	3173 Diapers, quilts, bobinets, veg. fibre	4	93	97	24	9	33
	3175 Handkerchiefs, flax or hemp	26	488	514	76	1,833	1,909
	3479 Fabric of veg. fibre coated or impregnated	28	6	34	262	54	316
553	3084 Cotton blankets	54	4	58	520	3	523
	3342 Woollen blankets	5	386	391	279	655	934
554	3281 Woollen fabrics, grey, 6 oz	.....	722	722	4	625	629
554a	3290 Lustres and Italian linings	1	60	61	51	30	81
554b	3284 Flannels	1	165	166	111	574	685
	3285 Felt cloth n.o.p	1	2	3	19	1	20
	3286 Overcoatings	1	1,146	1,147	161	803	964
	3287 Tweeds	1	1,054	1,055	218	1,945	2,163
	3288 Worsted and serges	9	5,929	5,937	3,373	12,337	15,710
	3289 Fabrics, n.o.p	45	1,074	1,119	925	778	1,703
	3292 Fabrics with art pile (plush)	24	30	54	408	118	526
554c	3282 Fabric, grey, 4 oz	.....	714	714	2	1,424	1,426
554d	3291 Fabric up to 12"	.....	3	3	12	4	16
554f	3293 Billiard cloth	.....	47	47	34	76	110
555	3321 Wool shawls	.....	4	4	.....	6	6
	3324 Women's and children's outer-garments	130	182	312	1,295	900	2,195
	3325 Clothing and wearing apparel, n.o.p	32	556	588	112	225	337
555	3326 Men's and boy's jackets, vests, pants overcoats	.....	.....	.....	126	607	733
	3344 Travelling rugs	.....	28	28	.....	43	43
	3345 Wool mfrs., n.o.p	30	63	93	127	46	173
	3483 Wool fabrics, coated or impregnated	2	5	7	17	1	18
560a	3224 Silk fabrics	150	101	251	244	254	498
560b	3225 Silk fabrics up to 26"	3	18	21	3	1	4
560c	3232 Silk fabrics, cut pile	157	122	279	769	30	799
561	3372 Art silk fabrics	410	1,371	1,781	8,257	3,534	11,791
561a	3481 Silk fabrics, coated	56	2	58	3	2	5
	3484 Art silk fabrics, coated	18	1	19	130	2	132
562	3228 Silk ribbons up to 12"	66	32	98	7	3	10
562a	3373 Art silk ribbons up to 12"	109	71	180	1,027	128	1,155
564							
564a	3229 Silk fabrics for ties and scarves	366	559	925	3,196	219	3,415
565	3501 Embroideries, lace, n.o.p	108	502	610	658	1,198	1,856
	3553 Braids, chenille, fringes, n.o.p	159	44	203	305	39	344
566	3574 Braided cords, non-elastic up to 1"	2	2	4	80	18	98
567	3246 Silk clothing, n.o.p	.....	.....	.....	32	189	221
	3247 Silk dresses	273	284	557	21	22	43
	3248 Women's and children's silk clothing	.....	.....	.....	37	140	177
	3251 Silk handkerchiefs	3	48	51	1	21	22
	3252 Silk mfrs., n.o.p	15	33	48	5	12	17
567a	3383 Art silk clothing	.....	.....	.....	2,036	319	2,355
	3384 Women's and children's art silk dresses	580	99	679	929	119	1,048
	3390 Art silk curtains	(included	in 3392)		317	51	368
	3391 Art silk handkerchiefs	1	2	3	139	95	234
	3392 Art silk mfrs., n.o.p	47	71	118	572	119	691
568	3067 Cotton knitted underwear	6	78	84	1,702	199	1,901
	3222 Knitted silk fabrics	1	1	2	2	.....	2
	3245 Knitted silk underwear	.....	1	1	.....	8	8
	3283 Knitted wool fabrics	3	67	70	765	151	916
	3323 Knitted wool underwear	6	175	181	62	420	482
	3371 Knitted art silk fabrics	22	67	89	2,361	298	2,659
	3385 Knitted art silk underwear	(included	in 3383)		682	164	846
	3514 Knitted garments, n.o.p	99	699	798	2,473	1,629	4,102
	3524 Knitted goods, n.o.p	34	78	112	92	1	93
	3525 Knitted underwear, n.o.p	2	15	17	.....	.....	.....
568a	3322 Wool socks and stockings	1	502	503	114	1,489	1,603
568a	3065 Cotton socks and stockings	1	15	16	268	42	310
	3244 Silk socks and stockings	10	3	13	1,049	48	1,097
	3382 Art silk socks and stockings	1	2	3	488	77	565
569(i)	3518 Hats, fur felt	70	213	283	120	261	381
	3561 Hoods and shapes, fur felts	9	14	23	53	35	88
569(ii)	3519 Hats, wool felt	17	35	52	27	14	41
	3562 Hoods and shapes, wool felt	.....	24	24	25	1	26
569(iii)	3563 Hoods and shapes, knitted, crocketted	133	87	220	130	175	305
569(iv)	3564 Hoods and shapes, n.o.p	12	2	14	37	1	38
569(v)	3520 Hats, straw, grass or chip	46	10	56	.....	.....	.....
	3521 Hats, n.o.p	65	34	99	168	20	188
569a(i)	3516 Berets of wool	.....	2	2	1	14	15
569a(ii)	3517 Caps, bonnets, berets	48	37	85	83	37	120
569c	3559 Hat bands, up to 6"	250	24	274	608	27	635
569d	3570 Hatters' ribbons	106	9	115	446	15	461
570	9074 Mats, door or carriage, not metal, n.o.p	1	1	2	3	.....	3
571	3172 Mats, rugs, bow or jute	13	174	187	142	369	511
	3425 Straw or paper mats or matting	10	40	50	32	3	35
571a	3429 Cocoa mats, cut pile	.....	.....	.....	.....	264	264
	3424 Cocoa mats, n.o.p	.....	31	31	.....	182	182
572	3301 Axminster in roll	.....	47	47	8	752	760
	3302 Axminster in squares	1	108	109	25	656	681
	3303 Brussels and Wilton, roll	.....	16	16	19	1,328	1,347
	3304 Brussels and Wilton, squares	1	28	29	8	413	421
	3305 Engrain 2 and 3 ply, roll	1	10	11	61	62	123

Quota—Category 2—Textiles—*Conc.*

Tariff Item	Statistical Item	Scheduled countries	Non-Scheduled countries	Total	Scheduled countries	Non-Scheduled countries	Total
	3306 Engrain, 2 and 3 ply, squares	3	58	61	30	185	215
	3307 Oriental and handwoven, squares	11	486	497	371	3,299	3,670
	3308 Tapestry velvet, roll	2	13	15	1	100	101
	3309 Tapestry velvet, squares	.....	9	9	.....	45	45
	3310 Mats, hearth rugs and runners	8	23	31	24	117	141
	3554 Carpets, n.o.p.	23	2	25	140	130	270
573	3485 Oil cloth, floor, linoleum	73	368	441	1,788	621	2,409
	3486 Oil cloth, enamelled, shelf and table	141	20	161	1,032	43	1,075
574a	3568 Webbing with strands of rubber interwoven, 12"	95	53	148	254	15	269
576	3569 Window shades on rollers	.....	9	9	32	1	33
578	9056 Belts of all kinds, n.o.p.	113	21	134	84	48	132
	9080 Regalia and badges	8	27	35	12	26	38
619a	1705 Clothing of Indian rubber or waterproof cotton	15	25	40	40	16	56
	1714 Raincoats of Indian rubber or waterproof cotton	2	50	52	36	30	66
818	3071 Raincoats of Indian rubber or waterproof cotton	(included	above)		181	908	1,089
	3030 Cotton fabrics for handkerchiefs	1	14	15	79	7	86
	3557 Curtains, n.o.p.	10	125	135	6	15	21
	Totals	10,301	30,591	40,892	128,535	52,402	180,937

Quota—Category 3—Leather, Leather Products and Related Goods

568b	1706 Rubber gloves	15	1	16	69	.....	69
	2236 Leather gloves	23	722	745	90	1,081	1,171
	3064 Cotton gloves	24	302	326	9	334	343
	3380 Art silk gloves	.....	.....	.....	3	36	39
	3515 Knitted gloves	23	398	421	29	141	170
	3523 Mitts and mittens	2	4	6	.....	.....	.....
568c	2237 Women's kid gloves	.....	10	10	3	263	266
604	2210 Dressed kid	594	565	1,159	956	285	1,241
	2211 Belting leather	18	58	76	61	66	127
	2215 Leather dressed, n.o.p.	198	161	359	730	487	1,217
	2216 Chamois skin	6	73	79	9	189	198
	2217 Japanned, patent, or enamelled	19	6	25	251	8	259
	2219 Scrap leather	11	1	12	83	.....	83
604a	2226 Crust oil leather for chamois	.....	18	18	.....	2	2
604b	2218 Sole leather	17	119	136	11	25	36
605	2221 Leather produced from East India, tanned kip	2	340	342	.....	87	87
605a	2220 Genuine pig and morocco	10	194	204	109	170	279
606	(incl. in 2221).						
607	2224 Leather for gloves or clothing	424	43	467	753	176	929
607a	2225 Leather for upholstering leathers	47	47	94	73	177	250
608, 608a, 608b	2213 Leather, tanned only	35	158	193	56	823	879
611	2231 Boots and shoes, pegged, etc.	8	1	9	.....	1	1
611a	1702 Canvas shoes, rubber soles	7	33	40	13	.....	13
	2232 Boots and shoes, men's	49	287	336	617	415	1,032
	2233 Boots and shoes, women's	646	154	800	2,668	176	2,844
	2234 Boots and shoes, children's	9	29	38	65	26	91
	9059 Boots and shoes, felt uppers	4	46	50	19	129	148
	9060 Boots and shoes, n.o.p.	145	85	230	394	26	420
	9072 Insoles of all kinds	3	11	14	21	1	22
611b	2235 Leather garments	3	8	11	27	12	39
617	1700 Rubber bathing shoes	7	5	12	11	.....	11
	1703 Rubber boots and shoes	49	7	56	448	1	449
622	9087 Trunks, valises, etc.	56	57	113	405	339	744
	9243 Baskets, n.o.p.	16	30	46	49	104	153
623	9067 Fancy cases, boxes, etc.	410	287	697	1,152	197	1,349
	9077 Pocket books, purses, satchels	474	295	769	525	679	1,204
	9086 Toilet and manicure sets	44	23	67	30	3	33
	Totals	3,398	4,578	7,976	9,739	6,459	16,198

Quota Category 4—Miscellaneous

228	8234 Liquid soap	10	3	13	68	.....	68
	8235 Soap powders and flakes	40	1	41	606	1	607
	8236 Toilet soap	37	90	127	145	7	152
	8238 Soap, n.o.p.	31	13	44	137	5	142
230	8231 Castile soap	3	46	49	1	.....	1
252	8392 Blacking and shoe leather dressing	133	83	216	278	53	331
	8413 Polish, knife or other	161	79	240	423	26	449
326ii	7083 Glass tableware and cut glass, n.o.p.	569	432	1,001	2,248	813	3,061
	7085 Glass shades or globes	71	44	115	94	3	97
326e	7121 Glass for cutting or mounting	119	76	195	643	127	770

Quota Category 4—Miscellaneous—*Conc.*

Tariff Item		Statistical Item	Scheduled countries	Non-Scheduled countries	Total	Scheduled countries	Non-Scheduled countries	Total
362	6086	Manufactures of gold, n.o.p.	25	7	32	382	3	385
	6094	Manufactures of silver, n.o.p.	31	280	311	142	509	651
366	6135	Watches	188	5	193	1,849	8	1,857
366a	6137	Watch actions and movements	966	6	972	3,010	2	3,012
367	6136	Watch cases and parts	273	6	279	1,085	1	1,086
368	6131	Clocks	214	93	307	1,077	41	1,118
	6132	Clock movements and cases	22	47	69	84	150	234
	6134	Time recorders	31	3	34	185	.....	185
429	5371	Knives and forks	40	148	188	282	474	756
	5372	Penknives	19	149	168	840	320	1,160
	5373	Razors and parts	29	118	147	274	106	380
	5374	Safety razor blades	91	66	157	56	41	97
	5375	Scissors and shears	65	109	174	661	182	843
	5376	Knives, n.o.p.	82	112	194	207	100	307
	5377	Spoons	14	21	35	108	69	177
	5378	Butcher and kitchen knives	(in	cl. in 5376)		532	165	697
	5700	Cutlery blades and blanks	76	1	77	317	21	338
440j	9019	Trawls, hooks, reels, etc.	188	154	342	1,166	275	1,441
441	5687	Swords, fencing foils, etc.	1	5	6	.....	1	1
	5698	Guns and rifles	187	51	238	619	18	637
	9007	Gun cases, cartridge belts, etc.	1	1	2	1	.....	1
	9237	Cartridges, shot gun shells	.....	.....	.....	64	.....	64
	9239	Metallic cartridges, ammunition	.....	.....	.....	88	3	91
	9246	Cartridge cases, caps, primers	2	2	4	19	6	25
	9247	Ammunition, n.o.p.	147	244	391	21	452	473
441e	5699	Guns and rifles not made in Canada	54	133	187	1,085	7	1,092
450	5424	Skates of all kinds and parts	58	1	59	117	42	159
511	1707	Golf balls	1	72	73	17	22	39
	4125	Walking sticks	2	11	13	6	14	20
	4154	Skiis, racquets, bats	14	55	69	66	152	218
	9004	Tennis balls	.....	50	50	.....	58	58
	9005	Balls for sports, n.o.p.	34	62	96	*152*	*237*	389
	9014	Golf clubs	17	9	26	60	69	129
511b	9013	Fishing rods	49	21	70	327	50	377
518	9001	Bagatelle and other game tables	212	11	223	428	5	433
	9002	Balls, cases, racks, etc.	1	8	9	*8*	*12*	20
	9003	Billiard tables	1	1	2	1	.....	1
624a	9009	Dolls	36	70	106	108	59	167
	9016	Mechanical toys, metal	146	97	243	331	357	688
	9017	Juvenile construction sets	2	40	42	19	129	148
	9018	Toys, n.o.p.	639	479	1,118	2,273	497	2,770
634	2083	Badminton birds	1	16	17	33	11	44
	2084	Manufactures of feathers, n.o.p.	25	23	48	125	50	175
	9204	Feathers, artificial, for hats	76	160	236	164	132	296
652	9069	Combs, toilet, fancy and dressing	37	116	153	180	26	206
656	9084	Tobacco pipes and holders	46	378	424	579	398	977
	9085	Tobacco cases and pouches	16	73	89	69	87	156
		Totals	5,333	4,381	9,714	23,860	6,396	30,256

Quota—Category 5—Prepared Foods

17	2284	Cheese	128	211	339	407	318	725
20	274	Cocoa paste, not sweetened	2	.....	2	5	.....	5
20a	273	Cocoa butter	80	488	568	1	.....	1
21	275	Cocoa paste, sweetened	4	4	8	138	.....	138
23	241	Confectionery, chocolate	30	80	110	86	.....	86
	277	Cocoa and chocolate preparations, n.o.p.	9	11	20	25	.....	25
25a, 44	287	Coffee extracts, n.o.p.	104	11	115	341	245	586
26	286	Coffee, roasted and substitutes	223	1	224	192	1	193
29	284	Green coffee, n.o.p.	38	3	41	76	.....	76
34	293	Ground mustard	54	255	309	218	.....	218
85	121	Mushrooms and truffles, fresh	1	12	13	12	23	35
	144	Mushrooms and truffles, canned	1	44	45	60	8	68
90a	134	Vegetables, dried, n.o.p.	64	32	96	114	15	129
90b	152	Pickles	33	67	100	265	127	392
90c	131	Liquid mustard	4	1	5	5	.....	5
	153	Sauces and catsups	26	202	228	710	100	810
	155	Sauces soy	1	27	28	42	2	44
90d	132	Vegetable, meat and fish pastes	13	6	19	29	2	31
103, 104, 105c	60	Fruits and nuts, pickled and preserved	12	19	31	183	13	196
105d	62	Jams, jellies, marmalades	10	70	80	110	60	170
105e	243	Fruits and peels, candied	7	26	33	241	165	406
106	54	Peaches and apricots, canned	12	188	200	268	6	274
	55	Pears, canned	3	16	19	11	.....	11
	56	Pineapple, canned	46	644	690	387	.....	387
	57	Fruits, canned, n.o.p.	75	38	113	271	1	272
	64	Mixed fruits, canned	.....	.....	.....	171	.....	171
107	244	Ginger, preserved	.....	30	30	33	19	52
140	256	Sugar syrups and molasses, n.o.p.	32	18	50	67	.....	67
141	242	Other confections, sweetened	27	27	54	61	103	164
	245	Chewing gums, sweetened	4	.....	4	91	19	110
	246	Sugar candies, n.o.p.	51	432	483	1,001	178	1,179
		Totals	1,094	2,963	4,057	5,621	1,405	7,026

HOUSE OF COMMONS

Tuesday, February 24, 1948

The house met at three o'clock.

PRIVILEGE

MR. CRUICKSHANK—COLLECTION OF EXCISE TAX

Mr. G. A. CRUICKSHANK (Fraser Valley): On a question of privilege, Mr. Speaker, at page 1540 of *Hansard* for yesterday the hon. member for Moose Jaw (Mr. Thatcher), speaking of the imposition of the 25 per cent excise tax, said it was done:—

—in a manner, which, in my opinion, is contrary to the laws of this country.

If it is contrary to the laws of Canada I should like to know by what authority the hon. member for Moose Jaw charged me the 25 per cent tax on a toaster I bought last December.

Mr. W. R. THATCHER (Moose Jaw): I should like to answer the hon. member. If he believes what the Minister of Finance (Mr. Abbott) said last night, no taxes have been imposed as yet.

Mr. CRUICKSHANK: Why did you collect the tax from me, then?

Mr. THATCHER: Naturally my firm could not refund a tax which has not yet been imposed; but if the hon. member wants his money back I suggest that he vote against this resolution.

HONG KONG

STATEMENT AS TO TABLING OF EVIDENCE AND LETTER FROM MR. DREW

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should like to make a statement to the house regarding certain questions which have been raised with respect to the Hong Kong inquiry.

On January 29 the leader of the opposition asked if I would now table a letter from Mr. George A. Drew which the government had been asked to table on July 14, 1942.

Subsequently, on February 9, the leader of the opposition gave notice of a motion which appears on the order paper "for a copy of the evidence taken before the Duff commission in connection with dispatching Canadian armed forces to Hong Kong".

I informed the house that to comply with either of these requests it would be necessary, among other considerations, to ascertain whether the government of the United Kingdom was now prepared to withdraw its objection to the publication of certain communications, which had been made available to the commission on the express undertaking that they would not be made public.

On Friday last, February 20, I informed the house that a reply had been received on the previous day from the United Kingdom government. The reply is to the effect that if the Canadian government wish to publish the telegrams relating specifically to the dispatch of the two Canadian battalions to Hong Kong, the United Kingdom government would raise no objection, provided the telegrams were paraphrased to avoid compromising the secret cipher. However, as regards the telegrams which related to the international situation in the far east, the United Kingdom authorities regret that they cannot agree to the publication of any of those on the ground that they belong to a class of communication framed on the basis that they would not be published. The United Kingdom authorities express the opinion that the whole system of full and frank communication between governments of the commonwealth would be prejudiced if telegrams of this nature had to be prepared on the basis that they might eventually be published.

The communications relating to the international situation in the far east which the United Kingdom authorities are still unwilling to have published were at the time of the investigation considered so secret that they were seen only by the commissioner and by counsel in a conference of which it was understood that no record was to be kept. The copy of the evidence taken before the commission does not therefore include any of the communications to the publication of which the government of the United Kingdom continues to object.

These communications, however, form an integral part of the material on which the commissioner, Sir Lyman Duff, the then chief justice, based his report. This is clearly indi-

cated in the report itself. I quote the following extract from page 4 of the report of the commissioner:

I had the advantage of reading a number of dispatches from the government of the United Kingdom, which I am not at liberty to reproduce, as well as a dispatch from the Canadian military authorities in England, which is reproduced in part, dealing with the probabilities concerning war with Japan, and my conclusion is that, having regard to the information of which the government was in possession, derived from the best sources of information open to them, nothing emerged before the departure of the expeditionary force on the 27th of October which could have been considered to be a justification for the withdrawal by Canada from the responsibility she had undertaken.

The written record does contain telegrams to the publication of which the United Kingdom takes no exception. These telegrams cannot, however, be made public in the actual form in which they appear in the evidence. To avoid compromising the secret ciphers they must be paraphrased. In this particular, what would be produced would necessarily be an approximation to the record rather than the written record of evidence itself. It is important that this should be clearly understood.

A word now as to the letter from Mr. George A. Drew. As the house is aware, the government was asked to table this letter in 1942. On the advice of Mr. George A. Campbell, K.C., of Montreal, counsel for the government in the Hong Kong inquiry, the request was not complied with at that time. Mr. Campbell's opinion was given to the house. It will be found in *Hansard* for July 15, 1942, at page 4254. I quote the following extract from Mr. Campbell's opinion:

At the conclusion of the hearing for the taking of testimony in this matter, and some days before the date fixed for completion of the hearing of oral argument, all counsel concerned received notice from the commissioner requiring them on the day of the final hearing of oral argument to deliver up to the secretary of the commission any and all transcripts of evidence, exhibits and copies thereof, written arguments and copies thereof, notes of evidence and any and all other writings and documents relating in any way whatsoever to the matters in question.

It appears from Mr. Drew's communication that it purports largely to be based upon his written argument to the commissioner, of which presumably therefore he retained a copy in his possession. In his letter he gives a number of verbatim quotations from the transcript of evidence and exhibits.

Mr. Drew's letter purports to give the effect of a number of confidential communications received by the government of Canada from the government of the United Kingdom, the disclosure of which was only consented to by the government of the United Kingdom subject to a specific condition that the disclosure was to be limited to the commissioner and counsel only, and solely for the purpose of the inquiry;

and the commissioner was not permitted to reproduce these communications in his report. Any disclosure, therefore, even to the House of Commons, would in my opinion be a violation of the substance of that condition.

If, therefore, Mr. Drew's communication is tabled by you before the House of Commons I am of the opinion that you will be violating a condition under which the government of the United Kingdom consented to the disclosure to the commissioner and counsel of those telegrams.

Hon. members will see from Mr. Campbell's opinion, that, apart altogether from the ordinary rules of courtesy invariably followed in relation to communications between governments, there was a specific obligation on the part of the Canadian government to secure the consent of the United Kingdom government before a decision could be reached respecting the publication of Mr. Drew's letter.

May I remind the house of the circumstances in which Mr. Drew's letter was written. The royal commission made its report on June 4, 1942. Some weeks later, on July 11, 1942, in a lengthy letter addressed to me as Prime Minister, Mr. Drew took exception to the findings of the commissioner. In this letter, as Mr. G. A. Campbell's opinion shows, Mr. Drew discloses information which he had been informed had been imparted by the British government to the commissioner on the express understanding that it would not be made public, a condition Mr. Drew accepted by continuing to participate in the inquiry.

Mr. Drew's letter has now been examined in the light of the reply of the United Kingdom government respecting the publication of the secret communications made available by the United Kingdom government to the commission. The letter has been found to contain several references to the contents of one of the telegrams which the United Kingdom continues to be unwilling to have made public. In view of the undertaking on which this telegram was made available to the commission, the Canadian government has no choice but to decline to table the letter.

Mr. Drew may decide for himself whether he wishes to break the confidence reposed in him and to disclose information which the government of the United Kingdom wishes to have kept secret. So far as our government is concerned, we intend to have no part in any such breach of faith with the British government. Equally we do not intend to invest Mr. Drew's letter with any kind of privilege by tabling it in the House of Commons and thereby making it a public document.

As regards the tabling of the evidence, the government is of the opinion that it would have been more in accord with the feelings

of the Canadian people if the Hong Kong matter had not been revived. The report of the commission of inquiry speaks for itself. The report was made by the then Chief Justice of Canada after hearing all the evidence and all the arguments. However, as a request for a copy of the evidence has been made by the leader of the opposition, and a refusal on the part of the government to comply with that request might occasion misunderstanding and misrepresentation, the government is prepared to table the written record of the evidence. In so doing, however, it will be necessary, for reasons of security, to paraphrase the texts of cipher messages, and, for reasons which will be obvious, to make available only to the leaders on the opposition side certain confidential reports on officers and units not selected for the Hong Kong force, and certain reports or communications based on sources outside the armed forces of Canada, in cases where such reports or communications were made on the understanding that the information was to remain confidential.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I am sure the house has listened with interest to the statement of the Prime Minister (Mr. Mackenzie King) with respect to certain incidents arising out of the Hong Kong affair of some five years or more ago. I am aware that on an occasion such as this we are not allowed to debate the matter. On the other hand the practice has grown up of the government at the opening of the house making statements of this kind, at which times Your Honour has permitted brief observations by hon. members on this side of the house who may feel they have some comment that should be made.

I wish to say only three things, and to say them briefly. One of the basic rights of democracy is that parliament must know, if it wishes, what is going on or what has gone on behind the scenes. We gave up that right during the war, when the nation was in danger. Now that the war is over we think we are entitled to know the facts. The Prime Minister has indicated that certain facts will be made available. To that extent I am sure the house will be pleased.

My second observation is this: In connection with this whole Hong Kong affair I do not suppose there was any other instance in world war II where untrained and unarmed troops were sent into battle. As to who was responsible for that, the Canadian people are entitled to know.

The Prime Minister has referred to codes used in communications used between two countries. I am sure there is no one in the house who would wish or ask that information such as that should be divulged. I think that what the house wants, and what the Canadian people want, could be given without divulging any such secrets between two nations. But if there has been incompetence somewhere in an affair of this importance, the Canadian people will want to see it exposed.

I have just one other thing to say. As I gather from the Prime Minister's remarks, he is denying us the right to have the Drew correspondence tabled. He is undertaking to table certain other information—perhaps the greater part of the evidence of the Duff commission—but certain other parts he has indicated, as I gathered from his remarks, that he does not feel the government can take the responsibility for tabling.

I shall conclude by saying that the government must accept full responsibility for any portion of that evidence it denies to parliament. I am sure the Prime Minister is prepared to take that responsibility. But he must take it, not the House of Commons. When the evidence comes down we will see how much has been given and how much has been held back. We cannot be left in the position of allowing another administration to excuse this administration from tabling all the information we are entitled to have.

All we on this side of the house want is the facts, and the truth, without exposing any secret codes which may exist between another country and Canada. I trust that when the evidence comes down we will find that the government has not held back anything that would help to clarify this painful episode in Canada's history.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, may I say just a word? I have a distinct recollection of what happened on July 14 after the leaders of the parties on this side of the house had received a copy of the letter which Colonel Drew sent to the Prime Minister. On that occasion I stated that I would accept the responsibility of asking that it be tabled. Next day the Prime Minister brought down the opinion of Mr. Campbell. As I recollect, having heard the opinion of counsel no one on this side of the house pressed at that time for the tabling of the evidence.

The war is over. The resolution which occasioned this discussion calls for a copy of the evidence taken before the Duff commission in connection with dispatching Canadian armed forces to Hong Kong. The Drew letter does not figure in that particular resolution. The Prime Minister has only to bring down the evidence with certain telegrams paraphrased and with other telegrams with-

held at the request of the British government. If that is done I believe that we shall then be able to make an appraisal of the evidence and come to a better conclusion with respect to the Hong Kong affair.

I have always been uneasy about the Hong Kong affair, particularly because I saw some of the men who were to go there, one of whom appeared later before the commission and gave me information which I believe will be found in the evidence. I am glad that the evidence is to be produced. Following the discussion which the Prime Minister had yesterday with the leaders of the groups in the house I agree that in view of the secrecy of the code used between Great Britain and Canada the telegrams cannot be disclosed in their original phraseology. However, I hope that in making the paraphrase the responsible officials will exercise particular care to see that there is accuracy in every particular. I believe that that will be done. Since this meets the object of the resolution, I hope that we shall have an opportunity of reviewing the evidence.

Hon. C. G. POWER (Quebec South): Mr. Speaker, perhaps I might be permitted to say just a word on this matter since I was one of those primarily responsible for the recommendation that the Hong Kong force be dispatched and for its organization. Under those circumstances I feel that I cannot do anything else but ask the Prime Minister to request the British government to review its decision and have it produce every available bit of evidence. I shall be most unhappy if every dispatch, every report and every item of evidence is not laid before the people of Canada.

Whilst I can understand the Prime Minister's desire to acquiesce in the request of the British government, I should like to remind hon. members that we were partners with the British in this enterprise, rightly or wrongly. The representatives of the British foreign office and of the British diplomatic corps were acting, so to speak, for the people of Canada. Whatever dispatches they sent to the British government which were dispatched afterward to the Canadian government were dispatches which contained information which should be made available to the people of Canada in order that they may judge.

I should like to say just one more word. If this Hong Kong inquiry is to be revived I would ask that we look not only at the circumstances which brought about the dispatch of this expedition but at all the circumstances of the handling of Canadian troops when they were sent overseas and placed under the command of officers who were not Canadians. As one of those who was associated with the policy of Canadianization during the war I would think it would be of benefit to the people of Canada in the case of another war, which God forbid, that they should know and be able to judge for themselves as to whether or not Canadian troops should be placed under the orders of those who are not directly responsible to the people of Canada.

Mr. MACKENZIE KING: Perhaps I might be permitted to answer my hon. friend at once. As the house will recall, the hon. member who has just spoken was one of the ministers of defence at the time of the sending of the expedition to Hong Kong. I shall be very happy this afternoon to quote his words when he said that he hoped that the decision arrived at by the British authorities would be reviewed. I shall be happy to add to that my own words, that the government of Canada would be pleased indeed if that wish on the part of my hon. friend could be carried out.

Mr. CHURCH: All we want to know is the truth, the whole truth and nothing but the truth. Our soldiers were marched off the ship and then marched into an internment camp. It should be all on the record.

Mr. HACKETT: Why should the dispatches be paraphrased rather than simply decoded?

Hon. BROOKE CLAXTON (Minister of National Defence): Mr. Speaker, perhaps I might be permitted to answer that question. It is within the knowledge of all hon. members that highly confidential information passes between representatives of governments which it would be of great advantage, in war or in peace, for other countries to obtain. For that reason all nations have ciphers and codes which they endeavour to keep safe. It is also well known to hon. members, through the press and otherwise, that sometimes certain nations endeavour to intercept messages in order to try to break a cipher and learn exactly what is contained in it. And it is within the knowledge of hon. members that no small part of the allied successes during this war was due to the fact that so far as is now known allied ciphers remained impregnable whereas enemy ciphers did not. One reason for that is that it may be possible to intercept the exact text of messages as they were sent in cipher, but in order to break them down it is almost essential to have the exact text of the message as decoded. A country having possession of those two factors certainly stood a much better chance of breaking a cipher than without them. On

that ground whenever ciphers are used they are required to be paraphrased. That is the ordinary and customary practice within government departments and between governments and it is in accordance with consistent requests from the British to ourselves and from us to them. They have made that request of us on this occasion.

I can assure hon. members that expert officers in the Departments of External Affairs and Defence are quite accustomed to paraphrasing and the results will be completely fair and accurate.

Mr. GRAYDON: Does paraphrasing mean that we shall have the government's interpretation of what the actual correspondence is?

Mr. CLAXTON: Mr. Speaker, I should think the hon. member had been long enough in this house to know that that would not be the desire of this government at least. There is no case where that has been shown ever to have taken place. The paraphrasing will be done by expert officials of the Department of External Affairs or of National Defence, and it will be done under very close scrutiny.

Mr. GRAYDON: After the way the Prime Minister undertook to paraphrase George Drew's position in connection with this matter, you do not need to wonder that I asked the question.

Mr. POULIOT: Mr. Speaker, being the one who asked for the resignation of Colonel Ralston on January 31, 1942, precisely on account of what had happened at Hong Kong I would ask the leader of the opposition why he eulogized him so much during the Grey North by-election.

On the orders of the day:

Mr. L. W. SKEY (Trinity): I wish to address a question to the Minister of National Defence. It has to do with the Hong Kong affair. Does the minister know of any instance in which a military or diplomatic cipher has been in use for as long a period as five years without becoming obsolescent?

Hon. BROOKE CLAXTON (Minister of National Defence): Why, of course, ciphers go on without any limit at all. I do not think this is the place to go into it in detail, but the cipher system may remain the same. What changes is the code or key that enables it to be applied or interpreted.

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to address a question to the Prime Minister arising out of his statement here today, with particular reference to the letter from Premier Drew. Will the Prime Minister produce all letters, wires and memoranda containing any requests to the high commissioner's office and from the high commissioner's office to His Majesty's government in Great Britain regarding complaints put in against the production of that letter, so that the house and country may judge whether or not production was actually asked for or the request was made in such terms as to amount to an invitation to His Majesty's government not to consent to the production of it?

Mr. MACKENZIE KING: Mr. Speaker, I resent very strongly the insinuation of my hon. friend that I have been sending messages to His Majesty's government in the United Kingdom to induce that government not to have Mr. Drew's letter produced. May I say to my hon. friend at once that the communications with respect to the Hong Kong inquiry which are included in the evidence took place before Mr. Drew's letter was ever addressed to myself. Mr. Drew's letter came some time after the report of the Hong Kong inquiry had been tabled. So far as Mr. Drew's letter is concerned, I have made no communication to the British government one way or the other with respect to it. My inquiry was in reference to the removal of an objection to the tabling of certain telegrams. I hope that that will answer my hon. friend's question.

Mr. DIEFENBAKER: On a question of privilege, when production of that letter was asked for, one of the ministers, if it was not the Prime Minister, said that there would be communication with the British government for the purpose of ascertaining whether or not it should be produced.

Some hon. MEMBERS: No.

Some hon. MEMBERS: Order.

Mr. GRAYDON: On January 30 that took place.

Mr. MACKENZIE KING: The communication to the British government was a query as to whether they were prepared, at the present time, to allow the publication of some telegrams that they had refused to have published before. Perhaps it will answer my hon. friend's question if I say that I made no request whatever of any kind to the British government at any time asking the United Kingdom government either to meet any wish of this government in this matter or to refuse it. The British government were left to make their own decisions in regard to their own matters in their own way.

Mr. DIEFENBAKER: I do not want to be misunderstood, but I am going to ask the Prime Minister this question, in the hope that he will be kind enough to answer it so that I may understand. Did he communicate with the British government in reference to permitting the tabling of the Drew letter? That is a very plain question.

Mr. MACKENZIE KING: My recollection is that when the leader of the opposition asked about the tabling of the Drew letter I said I would have to communicate with the British government, to ascertain whether the exception they had taken to having some of the telegrams published could be removed, before it would be possible to answer the question as to whether the Drew letter could be tabled. I asked the British government if they still raised the same objections they had raised some three or four years ago, or whenever it was, to the tabling of the communications referred to, and I have given the house the answer I received. I cannot understand what my hon. friend has in mind. If what he is asking is this: did I try to influence the judgment of the British government as to whether or not any matters relating to the Drew letter should be tabled, I would say I did not, nor would I ever think of doing such a thing.

Mr. SINNOTT: I should like to ask a question of the hon. member for Lake Centre. Would he read to the house the copy of the letter from Colonel Drew that he has in his pocket?

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 115 to incorporate People's Fraternal Order.—Mr. Croll.

Bill No. 116 for the relief of Nellie Polistuck Levac.—Mr. Maybank.

Bill No. 117 for the relief of Eleen Rose Gray Lawson.—Mr. Maybank.

Bill No. 118 for the relief of Frieda Kimelfild Solomon.—Mr. Maybank.

Bill No. 119 for the relief of Gordon Merrill Fuller.—Mr. Maybank.

Bill No. 120 for the relief of Phyllis Joyce Bradfield Ainsworth.—Mr. Maybank.

Bill No. 121 for the relief of Michael Charles Parr.—Mr. Maybank.

Bill No. 122 for the relief of Edna Birch Drimer.—Mr. Maybank.

Bill No. 123 for the relief of Elinore Oakes Forgues.—Mr. Maybank.

[Mr. Mackenzie King.]

Bill No. 124 for the relief of Mary Gwozdecka Carter.—Mr. Maybank.

Bill No. 125 for the relief of Ralph Woodall.—Mr. Maybank.

INCOME TAX

SIMPLIFIED FORMS FOR FARMERS

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, in view of the many representations coming to members of parliament from farmers, I would ask the Minister of Finance whether he has given consideration to simplifying Form T-1 Prairie Farmers 1947 now required for taxation purposes. The title of this form would indicate that it applies to prairie farmers only. Is a similar form required from farmers in other parts of Canada?

Hon. DOUGLAS ABBOTT (Minister of Finance): That is a matter that comes under the Minister of National Revenue. I will ask him to reply.

Hon. J. J. McCANN (Minister of National Revenue): I have received the question of the hon. leader of the opposition through the Minister of Finance. It will be generally appreciated by the members of the house that there are great difficulties in securing income tax returns from farmers and difficulties in assessing those returns. It is unnecessary for me here to enumerate what those difficulties are, but with a view to clearing up some of them and giving assistance to the farmers of Canada in making their returns, officials of the Department of National Revenue have given very close study to the matter, as a result of which we got out last fall two guides. One guide is called the Prairie Farmers Income Tax Guide and Farm Account Book. That form is distributed to the farmers in Manitoba, Alberta and Saskatchewan. Another form has been gotten out for farmers in eastern Canada. It is called the Farmers Income Tax Guide and Farm Account Book. As a result of those two guides which have been sent out, two forms have been devised on which the farmers might make their returns. One is T-1 Prairie Farmers 1947, and the other is T-1 Farmers, 1947.

The question has been asked, have we given consideration to simplifying these forms? The department will always give consideration to simplifying the forms and assisting the farmer in making out his return. That is the policy which is followed by the department, with

reference not only to farmers but to other people engaged in business. It is a policy followed by other countries.

Hon. members may have noticed that in the Ottawa *Citizen* and Ottawa *Journal* of last Saturday an advertisement appeared to the effect that an officer of the internal revenue department of the United States would be in Ottawa to assist United States residents in filling out their income tax returns, and in this morning's Montreal *Gazette* there appeared a notice to the effect that an officer of the internal revenue department of the United States would be present in Montreal to assist citizens of the United States in making out their income tax returns.

As I have said, with a view to helping the Canadian farmer make his return, these guides and these forms have been devised and sent out, and I can state that the form and guide for the prairie farmers have been very favourably received in the press, at least, and we have had a great number of applications for the form over and above the number already distributed. I think that this answers the question of the hon. leader of the opposition.

I might add that all our officers have been instructed to use the utmost courtesy and fairness in approaching the farmers and in giving the assistance which the division offers.

Mr. A. L. SMITH (Calgary West): If the minister will permit a supplementary question, would he look at page 5 of the form which I see he has before him, the prairie farmers' form, which requires the farmer to set out his net worth? The method of setting it out is quite complicated. My question is this. Is any other class of taxpayer asked to do a similar job to that now asked of the prairie farmer? I know of none, and if I am correct I want to know why he has been singled out to expose the last cash dollar he has in the bank, in the strong box or in his wife's stocking, or wherever people put their money. I know of no other class of citizen which have been singled out as has the western farmer to give that information. If I am wrong I shall be glad to be told so. Certainly it is not something that I sign after my accountant makes out my return.

Mr. McCANN: Mr. Speaker, other people are asked for a form not exactly the same as this, but all people in business may be required to enter a form which will disclose their profit and loss position.

Mr. SMITH (Calgary West): That is not what I am asking.

Mr. McCANN: Farmers are in the position where they can write off losses one year from profits they may have made in another year.

Mr. CRUICKSHANK: Losses are all they ever get.

Mr. McCANN: The assessment is made out from the average position of three years; therefore we require a return from a farmer, if he wishes to use that method, whether or not he is taxable. A great many farmers do not make and have not made returns. In order to arrive at a position where there may be a proper return and assessment made, if they are assessable, we have to find out their net worth position, and on that net worth position, over a period of years, to find out if possible what their income has been; and in regard to those who make the return yearly, what their average net income has been over the period of years. I do not know that there is any other way of arriving at it except to ask what assets and liabilities they have, and from that information determine their position.

Mr. SMITH (Calgary West): I am utterly unable to find out what net worth has to do with income. I am not much of an accountant, but I am unable to see the relationship between net worth and income.

Mr. SPEAKER: Order. I am sorry to interrupt the hon. member, but he will realize that on the orders of the day all he is permitted to do is to ask the government a question, and the question should be brief and to the point.

Mr. SMITH (Calgary West): I realize that, and I shall take my seat, but I want to thank the minister for the courtesy he has shown me today.

Mr. ROSS (Souris): May I ask a supplementary question? I was not able to follow the minister and his form, but may I ask why his department finds it necessary to have two distinct forms for farmers?

Mr. McCANN: I think the answer to that must be obvious. The type of farming that is carried on in the western provinces is different from what it might be say in the Niagara peninsula. In making up a form for farmers one has to attempt to make a composite return. You could not have one return for a farmer who is in the poultry business, another for a man who is in the grain business, another for a man who is in the fruit and vegetable business or the truck gardening business, and so on. Therefore it has been decided that at least we should have two different types, one

which would cover the prairie farmers and the other which would cover the rest of the farmers of Canada.

Mr. SMITH (Calgary West): You do not ask the eastern farmer his net worth?

Mr. McCANN: I beg your pardon; yes, we do. Let us clear that up right away. I hold in my hand the T-1 Farmers 1947. They are exactly the same in that regard. On page 5 the farmer is asked for a net worth statement. Then I have the Prairie Farmers T-1 1947. On page 5 he is asked for a net worth statement. I suggest, Mr. Speaker, that some of the difficulties with reference to the information not being known is that people who are critical have not sufficiently perused either the current forms or the return forms to have all the information.

Mr. JAENICKE: May I ask a supplementary question? Let us take the farmer who has regularly made his income tax return for the last four or five years or so. Is he obliged to put in this statement of net worth?

Mr. McCANN: I am not in a position to answer that question immediately.

Mr. HARKNESS: I should like to ask the Minister of National Revenue a supplementary question based on the answers he has given. Did I understand from the answer that the farmer is to be assessed for income tax purposes on the yearly changes of the net worth rather than on the basis of the actual receipts that he puts in?

Mr. McCANN: No. The purpose of the net worth position is to find out over a period of years what his income is. If his position was x dollars three years ago, and it is x plus $10 three years after, then you have some basis of saying, if he has no capital gains, where he got that money. It must be income if he has no capital gains.

INQUIRY AS TO NUMBER OF INSPECTORS

Mr. T. J. BENTLEY (Swift Current): I should like to ask the Minister of National Revenue if there has been and now is the same number of income tax inspectors, in proportion to farmers, in all provinces as there is in Saskatchewan.

Mr. SPEAKER: Order. I do not see any urgency in this matter, and I suggest that the hon. member place this question on the order paper.

[Mr. McCann.]

WHEAT

PROVISION FOR INCREASE IN FIXED MINIMUM PRICE ON DELIVERY

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): The Prime Minister has probably had brought to his attention that a number of western farmers have had serious crop failures in the past year; therefore it is highly important that they have some assistance in putting in their crops. Can the Prime Minister take steps to see to it that at an early day the government order having to do with the Wheat Board Act, to make provision for an increase in the fixed minimum price on wheat delivered, will be brought before the house?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I have already outlined to the house the order in which business will be carried on. Subject to that, the government will make, with respect to the bill he has mentioned, every effort to have the course taken that will be most acceptable in the light of the circumstances my hon. friend has mentioned.

COAL

SHORTAGE OF RAILWAY CARS FOR TRANSPORT FROM CAPE BRETON SOFT-COAL BELT

On the orders of the day:

Mr. GORDON B. ISNOR (Halifax): I wish to direct an inquiry to the Minister of Transport. What action, if any, is the Minister of Transport taking to provide additional railway cars to take care of coal shipments from the rich Cape Breton soft-coal belt where Dominion Coal Company's pits numbers 2, 4, 12, 16 and 20 were obliged to remain idle owing to shortage of cars?

Hon. LIONEL CHEVRIER (Minister of Transport): I have made inquiries of the Canadian National Railways in connection with the general position of car shortage for the carriage of coal in the maritimes, and they advise that for the period February 12-19 inclusive, there was an average of 66 cars of coal shipped each day. The ordinary average is about 75 cars per day. On February 20 only 23 cars were shipped.

There is a sufficient supply of open-top cars available in the maritimes. The difficulty has been that, owing to shortage of motive power, the movement of coal and the empties has been slowed down. This was first caused by weather conditions, and latterly by a heavy import and export movement. The operating

department of the railways does anticipate a substantial betterment in the movements immediately. I understand the Dominion Coal Company have undertaken to notify their consignees that coal must be unloaded very promptly in order to release the empty cars for further loads, and it is hoped by the joint action now being taken and the better weather conditions, that the situation will be improved practically immediately.

THE SENATE

QUESTION AS TO USE OF PRIVATE CAR BY SENATOR ON TRIP TO VANCOUVER

On the orders of the day:

Hon. LIONEL CHEVRIER (Minister of Transport): I should like to reply to a question which the hon. member for Victoria, Ont. (Mr. Hodgson) directed to the Prime Minister yesterday in connection with a car which is alleged to have been provided by the government to the Right Hon. Senator Mackenzie. The questions were, first:

Did Senator Ian Mackenzie use a government private car for a trip to Vancouver and return recently, and since his appointment to the Senate?

The answer is, yes. The second question is:

Who gave authority for the use of this car?

A few days following his resignation, Senator Mackenzie made application to the Department of Transport for the provision of a private car to and from Vancouver. He represented to me on that occasion that he wished to complete some unfinished business with his constituents—

Mr. KNOWLES: They were not his constituents any longer.

Mr. CHEVRIER: —and at the same time he desired to bid farewell to his constituency.

Mr. HOMUTH: We would all like to do that.

Mr. CHEVRIER: At the time he made that application, the senator was in possession of a pass from the railways of this country authorizing him and entitling him to use a private car. Having regard to that fact, and also to the fact that the hon. senator had been a member of the House of Commons for some eighteen years and a member of this administration for no less than thirteen years, I thought that it was not only reasonable but appropriate and courteous that he should be given a car, and I so authorized the officers of my department.

The third question asked was this:

Have all senators such a privilege?

The answer is no. The fifth question was:

How much did it cost?

Let me tell my hon. friend that all expenses incurred in this case, as in all other cases of a similar nature, are borne by the person using the car.

Mr. NICHOLSON: Did I understand the Minister of Transport to say the former member for Vancouver Centre paid the railway for the cost of hauling the car and the salaries of the staff? If not, would the minister explain just what was covered?

Mr. CHEVRIER: I am sure the hon. gentleman understood full well what I said, but in case he did not I will repeat it. In answer to the last question put by the hon. member for Victoria as to what was the cost, I said all out-of-pocket expenses incurred in this case, as in all other cases, were borne by the person who had use of the car.

Mr. NICHOLSON: Does that include the salaries of the staff on the car? If not, who pays those?

Mr. CHEVRIER: That does not include the salaries of the men on the car.

Mr. NICHOLSON: Who pays those?

Mr. CHEVRIER: Those are paid in the ordinary course whether the men are on the car or whether they remain in Ottawa, so in that case there is no additional expense.

Mr. MANROSS: He paid the tips.

BAY OF FUNDY MARSHLANDS

DELEGATION FROM NOVA SCOTIA AND NEW BRUNSWICK

On the orders of the day:

Mr. P. C. BLACK (Cumberland): Mr. Speaker, I would like to make inquiry of the Minister of Agriculture and the government whether a delegation, headed by the Premier of Nova Scotia, the Hon. Mr. Macdonald, and the Premier of New Brunswick, the Hon. Mr. McNair, their ministers of agriculture and other persons, making a delegation of eight in all, as reported in the press, waited on the government yesterday with respect to the reclamation of the marshlands on the Bay of Fundy. Who composed this delegation and were definite proposals submitted? Will the minister make public the proposals and will the government carry them out? If the minister is not able to state definitely today—

Mr. SPEAKER: Order. The hon. member is about to give information in addition to the question. He must not do so. He should be brief in putting the question.

Mr. BLACK (Cumberland): If the minister is not able to state definitely today, when can we expect a pronouncement of policy? Everybody concerned wants action and assumes that the minister is sympathetic.

Mr. SPEAKER: Order.

Mr. BLACK (Cumberland): Mr. Speaker, this is an important matter and we are entitled to a statement from the minister.

Right Hon. J. G. GARDINER (Minister of Agriculture:) Mr. Speaker, the hon. member for Cumberland gave me a copy of his question and in reply I would say that a delegation did meet me and other members of the government yesterday. The delegation was headed by the Premier of Nova Scotia and the Premier of New Brunswick. Along with the delegation were the minister of agriculture of Nova Scotia and the deputy ministers from the two provinces, with some others whose names I have not before me at the moment. They did present the question whether or not something would be done by the federal government to assist in the diking of the marshlands of the maritime provinces. I gave them an understanding that I would present their representations to the government, and that the policy would depend upon the decisions reached as a result of those representations. Until the representations have been made there is nothing more that can be said with regard to the policy that is to be followed.

BEEF

PRICES—QUESTION OF ENSURING SUPPLIES FOR 1949

On the orders of the day:

Right Hon. J. G. GARDINER (Minister of Agriculture): I wish to answer a question asked by the member for Lethbridge (Mr. Blackmore) on Thursday last, as follows:

Has the minister received communications from western Canadian beef producers and feeders that prices for finished beef are falling, apparently owing to the meat packing companies' lack of interest in bidding for finished beef? Secondly, will the minister tell the house what measures he proposes to take to protect beef feeders from losses on their 1947-48 operations, and thus to safeguard beef supplies for Canadian consumers for the year 1949.

[Mr. Black (Cumberland).]

The answer, Mr. Speaker, is this. Representations have been received from some western producers to the effect that there is not an active demand and that prices are considered unsatisfactory. The facts are that during this year to date there has been a substantial increase in the number of cattle marketed, and prices for good quality cattle have averaged approximately $2 a hundred higher than during the same period a year ago.

The inspected slaughtering of cattle in January was 23·9 per cent greater than during January 1947. Slaughterings during the past two weeks were 39 per cent greater than the same two weeks a year ago, and to date slaughterings were 28·2 per cent higher. This would seem to disprove any argument that cattle were not moving freely. Not only was there a substantial increase in the number of cattle marketed, but the average dressed weight of beef slaughtered in January 1948 was 508 pounds per head, which was 28 pounds higher than the average dressed weight in January 1947, and 18 pounds heavier than the average dressed weight of beef slaughtered in January 1946.

During the early part of 1947 cattle slaughterings were barely sufficient to meet domestic requirements, and no surplus beef was being offered for export. Beef and cattle prices during this period were established on the basis of domestic value and not on export value. Marketings for 1948 to date have been substantially in excess of domestic requirements, and some 13,000,000 pounds of beef have been offered for export. I might add in passing that that is twice as much as we got last year, to November 1. The price provided in the 1948 beef agreement of $27.50 for choice quality beef and $26.50 for good quality beef is $3.25 higher than the price paid under the 1927 agreement. Notwithstanding the fact that cattle marketings are in excess of domestic requirements, prices for good quality cattle are still well above their value for export based on the United Kingdom agreement.

With regard to the general level of cattle prices during 1947, good steers averaged $14.19 at Toronto. This was the highest annual average price ever recorded ,and was six cents higher than the average price of $14.13 in 1919 and more than double the average price of $6.77 in 1939. While there has been some moderate recession in cattle prices during the last two or three weeks, more particularly for

heavy weight cattle, there has been nothing comparable to the price reductions that have occurred in the United States, where cattle prices have declined by as much as $7 to $8 per hundred during the matter of a few weeks.

I have some figures I should like to table; first, comparison with respect to slaughter of cattle, 1947 and 1948 to date; and second, comparison of cattle prices for good steers up to 1,050 pounds in the four main markets.

Inspected Slaughterings of Cattle—Canada

February 20, 1948

Week	1947	1948	Cumulative 1947	Cumulative 1948	% Per cent Change
January 10	25,992	30,583	25,992	30,583	+17·7
January 17	26,961	36,030	52,953	66,613	+26·0
January 24	23,380	31,435	76,333	98,048	+26·8
January 31	24,555	26,823	100,888	124,871	+23·9
February 7	18,805	26,966	119,693	151,837	+26·9
February 14	20,347	27,559	140,040	179,396	+28·2

Price/Cwt of Good Steers up to 1,050 lbs.

	Toronto		Winnipeg		Calgary		Edmonton	
	1947	1948	1947	1948	1947	1948	1947	1948
January 3	$12.75	$14.54	$13.15	$14.63	$12.45	$15.15	$11.85	$14.30
January 11	13.20	15.11	13.00	15.25	12.44	15.65	11.90	14.90
January 17	13.45	15.27	13.25	14.76	12.57	15.28	12.00	14.60
January 24	13.30	15.22	13.50	14.61	12.78	15.10	12.25	14.55
January 31	13.52	15.25	13.35	14.53	12.84	15.15	12.50	14.70
February 7	13.90	15.46	14.11	14.55	13.21	15.15	12.90	14.80
February 14	14.21	15.20	13.62	14.15	13.24	14.72	12.85	14.35

BRITISH COLUMBIA

RESULTS OF PROVINCIAL BY-ELECTIONS

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): I would like to take ten minutes to answer hon. members opposite, but leaving Lieutenant Drew in Hong Kong for the moment and moving over here I wish to direct two questions to the Prime Minister; the second will answer my hon. friends across the way. Is the Prime Minister aware that the Liberals won two provincial by-elections yesterday in British Columbia?

Some hon. MEMBERS: Hear, hear.

Some hon. MEMBERS: Coalition.

Mr. CRUICKSHANK: The second question, which will answer the hon. members across the way, is this. Is the Prime Minister aware that we will also win both federal by-elections as soon as they are called?

DIPLOMATIC SERVICE

INQUIRY AS TO GRANTING OF CANADIAN CITIZENSHIP

On the orders of the day:

Mr. KARL HOMUTH (Waterloo South): I want to direct a question to one of my hon. friends in the ministry with whom I have never had any quarrel, and I hope the house will bear with me for a moment. During the war we had a great many nations allied with us in the fight. Since that time many of those nations have come under the domination of Russia and under communist influence. Those representatives are still in Canada. They have no country; they cannot go back to their homes.

Some hon. MEMBERS: Question.

Mr. SPEAKER: Order.

Mr. HOMUTH: Don't be so impatient. I wonder if the Minister of Mines and Resources would not give some thought to granting special consideration to the representatives of such countries, who are left in Canada and who actually have no country to which they can return, to permit them to become Canadian citizens, which I think many of them wish to do.

Hon. COLIN GIBSON (Secretary of State): That matter comes under the Canadian citizenship branch of my department. The Canadian citizenship act, as passed in 1946, provides that no one may be granted Canadian citizenship until he has been in this country for five years.

Mr. HOMUTH: Then I hope there will be no effort on the part of the government to deport these people to the countries from which they came, but that they will be allowed to remain in Canada.

Hon. J. A. GLEN (Minister of Mines and Resources): That is a question I cannot answer at the moment.

REFRIGERATOR CARS

REQUIREMENTS FOR SHIPMENT OF POTATOES AND TURNIPS FROM P.E.I.

On the orders of the day:

Mr. W. CHESTER S. McLURE (Queens): I should like to ask the Minister of Transport a question. It has to do with an emergency, and I received word of it just before I came into the chamber, so I had not time to send him a copy of the question. Perhaps he will take it as a notice and give me an answer later. What action has the minister taken to supply refrigerator cars for the immediate shipment of potatoes and turnips from Prince Edward Island to outside markets? The shortage of these cars at the present time is worse than it has been for some months.

Hon. LIONEL CHEVRIER (Minister of Transport): I remember writing my hon. friend not so long ago in connection with the general position of refrigerator cars for Prince Edward Island. My recollection is that in reply he sent me a very flattering letter stating that the position of refrigerator cars at the island was very good at that time. In view of his question, however, of which I did not have notice, I will look into the matter tomorrow and see if anything can be done.

Mr. McLURE: I acknowledged that letter and thanked the minister for the work he and I had done. However, the shortage has come up again, and they cannot get the cars.

BUREAU OF STATISTICS

CIRCULAR OF FEBRUARY 20—EARNINGS OF WAGE EARNERS EMPLOYED IN MANUFACTURING

On the orders of the day:

Mr. N. J. M. LOCKHART (Lincoln): Mr. Speaker, may I make one or two observations as a basis for my question, which has to do with a communication sent out by the bureau of statistics on February 20? What I have to say is not by way of carping criticism. I have in my hand a circular which states that in addition to historical tables—

Mr. SPEAKER: The hon. member knows that the purpose of a question is not to give information to the house but to get information. I would ask that he put his question.

Mr. LOCKHART: Then I shall refer to the circular of February 20 sent out by the bureau of statistics. May I point out, sir, that it gives information for 1945. The comment from industries and others back home is that this information is two years too late. Is there some responsible minister who can tell me why information of this kind is compiled only up to 1945, when we are now in 1948? They are anxious to have that information.

Mr. KNOWLES: Trade and Commerce.

Mr. GRAYDON: That is about the speed of the government.

FOREIGN EXCHANGE CONSERVATION

PROHIBITION OF CERTAIN IMPORTS AND PROVISION FOR IMPORT QUOTAS AND PERMITS

Hon. DOUGLAS ABBOTT (Minister of Finance) moved the third reading of Bill No. 3, respecting emergency measures for the conservation of Canadian foreign exchange resources.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I do not rise at this time to make any extended remarks. We opposed the measure on second reading, and we have opposed it consistently ever since. I rise now to move an amendment to third reading of the bill, an amendment which seeks to remove from the bill a feature which it was not the primary intention of the bill to achieve, namely that of protectionism. I move:

> That the said bill be not now read the third time but that it be referred back to the committee of the whole for the purpose of amending it by inserting after the word "Canada" in the second line of section 3, subsection (1) the following words:
>
> "from any one of the following countries, namely Cuba, Dominican Republic, Guatemala, Haiti, Panama, El Salvador, Switzerland, Union of Soviet Socialist Republics, United States of America and its possessions, Venezuela."

Section 3 (1) would then read in this way:

> No person shall import or attempt to import into Canada from any one of the following countries, namely Cuba, Dominican Republic, Guatemala, Haiti, Panama, El Salvador, Switzerland, Union of Soviet Socialist Republics, United States of America and its possessions, Venezuela, any goods listed or of the classes described in schedules I, II or III except in accordance with a permit issued by the minister and, subject to this act and the regulations, the minister may issue, vary, or revoke permits for the import of such goods.

I shall take only a moment to comment on this amendment. The countries, the names of which I have read, are those which have been designated as scheduled countries in P.C. 4678 passed by the government under the foreign exchange control act, and under which these restrictions are now being carried out.

This is the order in council, with some amendments, under which the government has been acting for more than three months.

The problem the government is seeking to solve by this bill is to conserve United States dollars. In order to conserve United States dollars the government has already divided the countries with which we do business into two groups: (1) dollar countries or, in point of fact, countries that have no dollar problem; and (2) countries which are, like ourselves, having difficulty in finding United States dollars to pay for purchases made in that country. The amendment I have moved means that we limit the bill to the policy of dollar conservation and exclude from it the features of wider protection. The bill without the amendment means that it is not an exchange conservation measure solely, but rather a bill providing additional protection against imports from all countries.

As it is at present the bill, whatever else it does, is a measure of ironclad protection. It means that this self-styled low-tariff government is making its present difficulty the occasion to introduce a wholly unnecessary and vicious type of tariff restrictions practically unknown in any democratic country.

We are not in this amendment, opposing the dollar conservation features of the measure; but the amendment would cut out the additional features of protection which are not necessary for the purpose I have mentioned.

Hon. DOUGLAS ABBOTT (Minister of Finance): Mr. Speaker, as the house is aware, the suggested amendment is identical with one moved to section 3 of the bill when the house was in committee following second reading. If the amendment were accepted the effect would be to eliminate the so-called principle of non-discrimination.

Mr. COLDWELL: Does the minister refer to the amendment offered by the hon. member for Kindersley (Mr. Jaenicke)?

Mr. ABBOTT: Yes. It may not be identical, but it is certainly similar to the one offered by the hon. member for Kindersley in the committee stage.

As I was about to say, if the amendment were accepted the effect would be to eliminate from this legislation the so-called non-discriminatory principle, and make it frankly discriminatory against certain countries named in the bill. I discussed this matter at some length when we were in committee, and I am sure the house would not wish me to repeat my arguments at this time. For the reasons I gave on that occasion the government opposes an amendment of this kind and feels it would not be in the interests of Canada to have it incorporated in the bill. Therefore we shall have to oppose the amendment.

Mr. SPEAKER: Before putting the question may I ask hon. members please to keep quiet during the taking of the vote in order to facilitate the work at the table.

The house divided on the amendment (Mr. Bracken) which was negatived on the following division:

YEAS

Messrs:

Adamson	Kidd
Archibald	Knight
Argue	Knowles
Ashby	Kuhl
Barrett	Lacombe
Bentley	Lennard
Black (Yukon)	Lockhart
Blackmore	Low
Blair	McCuaig
Boucher	McCullough (Assiniboia)
Bowerman	Macdonnell (Muskoka-Ontario)
Bracken	McGregor
Bradshaw	MacInnis
Brooks	McKay
Bryce	MacNicol
Burton	Manross
Campbell	Marshall
Caouette	Matthews (Kootenay East)
Case	Menary
Casselman	Merritt
Castleden	Moore
Charlton	Murphy
Church	Nicholson
Cockeram	Pearkes
Coldwell	Probe
Coyle	Quelch
Diefenbaker	Robinson (Bruce)
Dorion	Ross (St. Paul's)
Drope	Ross (Souris)
Fair	Skey
Ferguson	Smith (Calgary West)
Fleming	Stephenson
Fraser	Stewart (Winnipeg North)
Fulton	Stokes
Graydon	Strum, Mrs.
Green	Thatcher
Hackett	Timmins
Hamel	Townley-Smith
Hansell	Tustin
Harkness	Webb
Hazen	White (Hastings-Peterborough)
Henderson	White (Middlesex East)
Héon	Wright
Herridge	Wylie
Hlynka	Zaplitny—96.
Hodgson	
Homuth	
Irvine	
Jackman	
Jaenicke	
Johnston	

NAYS

Messrs:

Abbott	Bertrand (Prescott)
Baker	Bertrand (Terrebonne)
Beaudoin	Blanchette
Beaudry	Boivin
Belzile	Bonnier
Benidickson	Bourget

Bradette	Langlois
Brown	Lapalme
Brunelle	Lapointe
Chevrier	Laurendeau
Claxton	Leger
Cleaver	Lesage
Cloutier	McCann
Coté (St. Johns-Iberville-Napierville)	McCubbin
Coté (Verdun)	McCulloch (Pictou)
Cournoyer	Macdonald (Brantford City)
Croll	McIvor
Cruickshank	MacKinnon
Dechene	MacLean
Denis	MacNaught
Dickey	Maloney
Dion (Lake St. John-Roberval)	Marier
Douglas	Marquis
Dubois	Matthews (Brandon)
Eudes	Maybank
Farquhar	Mayhew
Fournier (Hull)	Michaud
Fournier (Maisonneuve-Rosemont)	Mitchell
Gardiner	Mullins
Gauthier (Nipissing)	Mutch
Gauthier (Portneuf)	Parent
Gibson (Comox-Alberni)	Picard
Gibson (Hamilton West)	Pinard
Gingues	Raymond (Wright)
Gladstone	Reid
Golding	Richard (Gloucester)
Gour (Russell)	Richard (Ottawa East)
Gourd (Chapleau)	Rinfret
Grant	Robinson (Simcoe East)
Gregg	Ross (Hamilton East)
Hallé	St. Laurent
Harris (Grey-Bruce)	Sinclair
Hartt	Sinnott
Healy	Smith (York North)
Howe	Stuart (Charlotte)
Ilsley	Tremblay
Isnor	Tucker
Jean	Viau
Jutras	Warren
King, Mackenzie	Weir
Kirk	Whitman
Lafontaine	Winkler—104.

Mr. GARIEPY: I was paired with the hon. member for Victoria-Carleton (Mr. Hatfield). Had I voted I would have voted against the amendment.

Mr. NIXON: I was paired, Mr. Speaker, but had I voted I would have voted against the amendment.

Mr. McLURE: I was paired with the hon. member for Beauce (Mr. Dionne). Had I voted I would have voted for the amendment.

Mr. SHAW: I was paired with the hon. member for Ottawa West (Mr. McIlraith). Had I voted I would have voted for the amendment.

Mr. JAQUES: I was paired with the hon. member for Matapedia-Matane (Mr. Cote). Had I voted I would have voted for the amendment.

[Mr. Speaker.]

(Translation):

Mr. GAGNON: Mr. Speaker, I was paired with the Hon. the Postmaster General. Had I voted, I would have voted in favour of the motion.

(Text):

Mr. LITTLE: I was paired, Mr. Speaker, but had I voted I would have voted against the amendment.

Mr. J. M. MACDONNELL (Muskoka-Ontario): We on this side of the house have been vehemently opposed to this legislation, and I think it wise to make a brief statement on the third reading of this bill. It is now some two months since we first had this bill placed before us in December. At that time I said on behalf of this party that we would vigorously oppose it, and that we would oppose it in the house and in the constituencies and do our best—

Mr. SPEAKER: Order. May I ask hon. members to keep silence. It is nearly impossible to hear the hon. member who has the floor.

Mr. MACDONNELL (Muskoka-Ontario): In these two months, Mr. Speaker, the evils of this bill have become much more apparent than they were then. The evils to which I wish to refer briefly are, first, the evil of personal power, and, second, the fact that this bill is not really an emergency bill at all, which has become clearer and clearer as we have gone on.

First a word about personal power. We on this side have been complaining a good deal in the last two years about orders in council; but once this bill becomes law we shall look back on orders in council almost as the halcyon days of freedom, because this bill gives power to one minister so broad it is really hardly an exaggeration, indeed it is no exaggeration to say that he himself can tear up orders in council and make the effect of them nugatory.

Everything depends on this minister; and I wish to point out further, rather regretfully, that there has not been—I must admit this—as much protest from the country as we would have expected. I think the reason for it is twofold. First of all, as I said when this bill was introduced, people are afraid to object. People who may have to come to Ottawa and deal next week with the Minister of Trade and Commerce are in this position. Is it natural to expect that they will complain? How right I was in the prediction I know now, because I know by my own contacts and those of others that

people are unwilling to stand up and be counted.

I just wish to make one further comment on the effect of this power. The big people may have considerable confidence that it will not hurt them much because they will be able to see the minister; most of them know the minister personally, and I have no doubt they find him a very personable man to do business with. I think he treats them far differently from the way he treats us in the House of Commons.

Mr. HOWE: They are much more intelligent.

Mr. MACDONNELL (Muskoka-Ontario): So far I have refrained from bandying insults with the minister. I do not think my intelligence is the question. We are talking about this bill. I have not come here to talk personalities, and I hope I shall never get down to that level.

Mr. JACKMAN: We do not kowtow, anyway.

Mr. MACDONNELL (Muskoka-Ontario): I wish to make one point. It is very important indeed from the point of view of hon. members on all sides of the house who believe in freedom and in competition.

I am glad to point out that the hon. member for Rosetown-Biggar (Mr. Coldwell) yesterday was praising the advantages of competition in certain situations.

Where are the little people in this bill? What chance have they to come here? How can they come? And if they do come, how are they to get an audience with the minister? How are new businesses to be started up? How are we to do anything except help those who are already strong? The minister was quite candid on this subject, and I want to read one sentence from *Hansard* of last night, because, as I said a while ago, the completeness of control and the fact that this bill which sets out to save money, ends up by being a control measure, became clear last night in committee.

So far as schedule III is concerned, almost every item in it has precious little to do with saving money. The item with regard to automobiles will save a lot of United States dollars. The minister was very candid in saying a good many of the other items would save little or no money. He was equally candid in saying that the items were put in, not that they would save United States money but that it would enable him to direct where materials went. I shall read one sentence from the minister's statement last night at page 1514 of *Hansard*. I asked him this question:

> Does the minister now suggest that the scope of this act is not merely to say, "We will cut down purchases from the United States," but that in addition you may say, "We will bring in certain things from the United States which will not result in any saving, but by our wisdom we will so direct them that they will contribute more United States dollars?" Is that what the minister is saying?
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> Mr. Howe: Quite.

I thank him for this frankness. I point out that, so far as the schedule which the minister deals with is concerned, it is primarily not a money-saving bill at all in the direct sense of saving United States dollars; although the minister will suggest, and with some force, that in the indirect way, through his powers, it may produce United States dollars. In other words, I suggest that this bill should not be called "An Act respecting Emergency measures for the Conservation of Canadian Foreign Exchange Resources"; it really should be called a bill "For the Conservation and Extension of Personal Power."

In the second place, this bill is called an emergency bill. An emergency would suggest shortness of time in the first place and would usually suggest some definite steps that are being taken to reach the end of the emergency in a comparatively short time. Let us apply these two tests. First of all, what sign is there that it will be short? Two years ago when we were battling with the foreign exchange control bill we did have a term put in it, I think it was three years. The present Minister of Finance (Mr. Abbott) agreed to that. In spite of our urging, there is no term at all in this bill. Does that sound like a short emergency? So far as the Minister of Trade and Commerce (Mr. Howe) is concerned, I think he is confusing this issue of time with the very greatest possible success. I hold in my hand a copy of *Saturday Night* of February 21, a newspaper weekly which on the whole, so far as I know, is favourable to the government. I sometimes try to argue that it is independent but I do not find very much support for that view. I shall read from the leading article on the front page, the caption of which is, "Is Mr. Howe Serious?" I continue with the article:

> Mr. Howe is trying to get businessmen to save U.S. dollars—to buy less from the United States, to make things here that might otherwise be imported, and, if possible, to export more to that country. All these changes involve time, trouble and expense. No business-

man will change his production methods or his capital equipment or his markets unless it is really necessary.

There would be little question about the need if Mr. Howe himself did not make misleading statements about how long the dollar shortage was going to last. The other day in Halifax he said: "I am hopeful that before many months go by our reserves of United States dollars may be built up to a point where present-day restrictions will no longer be needed."

Then the editorial writer goes on:

This is not only nonsense, it is dangerous nonsense. As the Bank of Canada's annual report, published last week, points out, we are by no means out of the woods yet, nor are we likely to be in a few months.

Then there is a quotation, I presume from the Bank of Canada's report:

"Having in mind the present level of our gold and foreign exchange holdings, and the magnitude of our trade with other countries, there is clearly need to increase these holdings."

Then the writer concludes:

If Mr. Howe wants industry to take his dollar saving program seriously he will have to take it seriously himself.

So much for the time. The Minister of Trade and Commerce has not helped us very much on that. To use his own phraseology, he has become a bit tied to the use of the word "months", and that seems to have affected his comments since that time.

Coming to the more important part, what is really being done to end the emergency, we have nothing at the moment except vague and, I must add, unconvincing statements from the minister as to what great things are being done or what great things are to be done to increase exports to the United States. He has never been very convincing on that and, as I have said, it is left entirely in the air. Meantime, however, as the house will remember, by the financial policy of the government, and particularly by what was done in June, 1946, we have taken one step which operates vitally to put off the day when the emergency ends. That is to say, we have successfully cut off United States investment in this country.

I want to say a word to recall to the minds of hon. members the position we were in in June, 1946. We seemed at that time to have achieved a kind of rough and ready balance. We seemed—and in retrospect it looks even clearer—to have reached the point where the finance department was allowing a good deal of freedom, and where more and more freedom could have been achieved and our situation worked out. But whatever the reason was, whether it is because the finance department somehow cannot believe that things can work through freedom, whether they believe that controls are the only means of doing things, at any rate in June, 1946, they took the action that we know, and from that time on, our supply of United States dollars and gold fell. I believe the figure in June, 1946, was $1,624 million, and it fell last November to something in the neighbourhood of $500 million.

Worse than that, we have created a situation in the United States where, as I said in this house a few days ago, our dollars and securities are wandering around like orphans. "Orphan", I believe, is the word they use. Our dollar sells below ninety cents and our securities at an even greater discount, and in my opinion we are creating a situation where Americans, who have regarded us as the very best investment market, are thoroughly irritated at what we have done. And we go from bad to worse.

The action that was taken then reminds me of an old epitaph with which we are all familiar. I discovered today that it was found somewhere on the tombstone of an Italian valetudinarian: "I was well; I would be better; I am here." I hope that nothing like that is our fate, but I suggest that those who disturbed the balance in June, 1946, took on a considerable responsibility.

Now a word to recall the circumstances attending the introduction of the bill, which circumstances do not commend it. First of all, there was the withholding of information—I believe that is the proper word—and the rapidly worsening figures all through last summer, and then there was the sudden action in the middle of November. We had been trying to get information here in this house even before parliament adjourned in July and we got none. Second, there was neglect to summon parliament, which could have been summoned, because, after all, this matter was under review, as the Minister of Finance has told us, from away back, months before; I believe he said it was in August or July. Finally, there was the disregard of an undertaking or a statement of intention, or what you will, which the present Minister of Justice (Mr. Ilsley) gave in connection with the foreign exchange control board.

I will not split hairs about that and ask whether it was a solemn undertaking or a promise. I do not know what the difference is between a solemn promise and any other promise. I consider every promise a solemn promise. I want that to be clear. I used the words "statement of intention". That is perhaps more correct than the word "promise". However, I should have thought that a statement of intention, particularly perhaps from a minister with the moral authority in this

house which the present Minister of Justice has always had, was as good as putting it on your bond and affixing all the red seals around it, something as good as anyone could want. I will say no more on that. It was treated as such anyway, as the hon. member for Stanstead reminds me.

There was little public protest; and it is a sad reflection, in my opinion, on the level of political consciousness in this country that there has not been more protest. I sometimes think people hardly realize what is going on under their very eyes, and that being so, it is all the more necessary that we who are members of parliament, who presumably think about these things and take them seriously, should have concern for a matter of this kind and not treat it lightly.

I suppose it is true to say that in the long history of British institutions, of institutions that we rely upon, institutions that have brought us where we are, there have been many times when action such as has been taken by this government, first of all in withholding information; second, in dealing in so arbitrary a manner with a situation such as this, without calling parliament, and, third, in going back on a statement made by a responsible minister—it is, I say, no exaggeration to suggest that lesser things than these have brought governments toppling down more than once in our history.

My final point is this. I suppose one can say that freedom is the second greatest thing in the world. Faith is the greatest, and the church is the special guardian of faith. But surely this House of Commons should be the special guardian of freedom, and therefore I suggest earnestly that everyone in this house who believes in freedom should vote against this bill, for in this bill freedom is the issue.

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, I wish to take only a very few minutes before the vote is called on the third reading of the bill. We in this group are grateful to the leader of the opposition (Mr. Bracken) for having given the house a chance to take a recorded vote on an amendment the same in principle as that which was moved by the hon. member for Kindersley (Mr. Jaenicke) when we were in committee. The principle involved in both those amendments highlights one of the reasons for our objecting to this bill, namely the government's insistence on applying the non-discriminatory principle at the present time.

We argued at the outset, and in our view the minister has not answered our arguments, that in effect this is discrimination against the United Kingdom and other soft currency countries, and further that it has no real bearing on the main purpose of the bill which is to save United States dollars.

When the debate on the second reading was in progress another of the objections to the bill, which we put forward, was that it involved a ban on fresh fruits and vegetables which we regarded as inimical to the health of the Canadian people. Our friends of the Progressive Conservative party applauded us at that time and indeed echoed our sentiments.

When we were in committee of the whole at least one member of the Progressive Conservative party, the hon. member for Rosedale (Mr. Jackman), who just now applauded my remarks, spoke in support of our opposition to item 87 in schedule I. I regret to say, however, that when the time came for a vote in committee on that item our friends of the Progressive Conservative party voted with the government to retain it.

The hon. member for Muskoka-Ontario (Mr. Macdonnell) has just had something to say about the feeling of the people in the country as to this bill. If I heard him correctly he said he was amazed there was not more protest against the bill in general. I would say to him there is one feature about which there has been considerable protest, on the part of housewives in particular, and it is this ban on fresh fruits and vegetables; and I call as one of my principal witnesses the hon. member for Rosedale. I am indeed sorry that our Progressive Conservative friends did not see fit to join us in our vote against that item when we were in committee. I remind the house that the vote was 43 to 23; but had the Progressive Conservatives who were present at that time voted with us, the clause would have been defeated.

I suggest, Mr. Speaker, that this raises some question about the consistency of the opposition of the Progressive Conservative party to this measure, to which the leader of the opposition referred. The fact is that when the members of the official opposition were faced with this vegetable item, which to them was a question of protection or non-protection, they voted for protection. That is another of the reasons we gave earlier for our opposition to this bill, namely, that it is a highly protectionist measure and that it has and will have all the damaging effects to our economy of any of the restrictive trade measures we have had in the past. The demonstration we had, particularly in committee, of Liberal members rising and telling the house that if vegetable growers in their part of the country could be assured that this

protection would be maintained they could produce greater quantities behind that wall of protection, indeed must go down in the pages of *Hansard* as a sorry story in the annals of the Liberal party. We call to witness all the arguments Liberals have used in the past about the dangers to our economy of restrictive trade policies, and suggest that for these reasons this bill should not receive the support of this house.

Another of at least four reasons we stated earlier for objecting to this bill was the unwillingness of the government to reimpose price ceilings in Canada on goods of a class or kind the importation of which from the United States was subject to restriction or embargo. We felt then and, having given the measure complete study clause by clause in committee, we still take that position, that the effect of this measure without price control on those items is to exploit the Canadian people at the expense of what is, after all, in its effect a protectionist policy.

So, Mr. Speaker, I submit that our consistent opposition to this measure has been well founded, and for the reasons I have stated we will oppose it on third reading.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I do not wish to give a silent vote on this important bill, because it upsets the economy of this country as it has developed since confederation, and is a leap in the dark. It is the greatest economic gamble ever to be seen since Canada has been a country, and is contrary to all the economic doctrines we have followed since time immemorial.

For a few moments this afternoon I want to refer to the cause and effect of this way of doing business. I believe the government of the day has forgotten one thing; that is, that we have trade commissioners in practically every country of the world, and we also have amateur diplomats travelling all over the civilized world. The other day a list of them was tabled in this house. What have these people been doing over at Geneva? They knew all about this thing before it happened. I am not speaking on behalf of the official opposition; far from it. I am not the financial critic of the opposition; I can tell you right now that I do not follow some of his doctrines. I can also tell you that I am not very much surprised at what has happened, because this all started with the gamble we took at Bretton Woods with a monetary fund which has come into as much disrepute as some of the banks, including the Home bank and others, that failed in this country, and with the United States loan to Britain. We tried to get a loan of $300,000,000 from the Export-Import bank, but we found the bank could not advance the money. Then we tried to get a much larger sum in a loan from private sources. I asked the government to give us a few details about it, and I was told that the details had been given. They were never given. Apparently our application had a string to it and we could not qualify on account of the discriminating clauses of it, as construed by the United States.

I should like the hon. member for Rosedale (Mr. Jackman) to listen to what I am about to say, because I may say something about the way in which this will affect his riding and all other ridings in the Toronto district. We do not now get much information from the newspapers in the Toronto district. We used to have six newspapers there, three of them in the morning, which vied with each other in telling what happened in this House of Commons. We might now just as well meet in secret. We now have what they call the columnist system of reporting. I remember that in the United States the columnists gave Mr. Roosevelt very little support, or no support whatever, and I think he called some of them "calumny-ists." I would not go that far, because we have had a pretty decent lot of fellows on all the newspapers. I have had a good deal to do with them in many spheres of public activity, and I can tell you they are a wonderful asset to good government, dominion, provincial and municipal, in this country. We could not get on without them.

What I am complaining about, however, is that the people have been blindfolded ever since this particular deal was commenced. We had all these ambassadors over there, but how is it no one had the diligence or industry to look up the real facts of this particular problem? Away back on February 7 last a whole carload of them went over to Geneva. They chose a good place. I forget how many millions of dollars were spent on buildings, exhibits and all that sort of thing there, but what was the result? I did not see a line about them in any Canadian newspaper as regards the end of the Geneva farce and what became of the huge buildings there. We spent about $5,000,000 to send delegates, good, bad and indifferent. It was looked upon as the booby prize after each session; anyone could get a trip over there. The cigars were good; the refreshments were good. I understand they speak about thirty languages there, and the tower of Babel was not in it. Everyone seemed to enjoy the nice ride over there with their sisters, their cousins and their aunts in some cases, and all the rest of it. But that whole institution, the first Geneva, which caused

a second war, vanished like a thief in the night, and not a word was said about it. I looked at over a hundred newspapers in the reading room and not one had a word to say about the end of this sham institution, the league of nations, which was to bring peace and security to the world for ever.

I can say that I am absolutely opposed to the principle of this charter, which is not really a charter at all. That word has been twisted to mean something else. A charter is "a grant from a sovereign or legislature." I supported my hon. friends of the Social Credit party when they opposed this notorious Bretton Woods deal and the United States loan which will strangle the mother country and the British empire and which has hanged preferential trade with the dominions on a sour apple tree, just like John Brown's body.

As I contended long ago, we should never have upset the economic policy of Sir John A. Macdonald, of Sir Wilfrid Laurier, of Mr. Fielding and of many others. But the present government laid down their policy on February 7. They have been free traders, and have believed with some of my hon. friends to my left that the grain growing industry is a north and south industry, and all that kind of thing. But now the government are with Washington first, last and all the time and have surrendered too much economic, social, financial and military initiative to Washington all along as in this bill. I have opposed non-discrimination as a principle from the start.

Washington has always been opposed to preferential trade within the empire. During the dark days of the last fifty years they did their worst to upset this doctrine. We are confronted with what is called totalitarian trade and internationalism. Well, if it is, then let us examine it a little more closely, and all the cause and effect of the overthrow of preferential trade herein and where Britain has gone for food as a result.

From those who have spoken from the government benches we have heard not one word about trade treaties which have been made with Russia by almost every country in the world and, for four or five minutes, I should like to discuss that matter. There is a complete lack of any mention or study of that trade in the bill before us. And if I go to the text of it I am most surprised to find that, when all is said and done, there is a complete lack of any mention of study of trade. Some of our younger members have completely forgotten about it; indeed, they had forgotten about it from the start. Their vision was not very good, or they would have been pretty sure to examine these agreements with Russia which have been made by other countries within the last seven months, and with Britain, France, Italy and soviet satellites. These agreements with outside countries have threatened the ruination of Great Britain, whose trade with preferences came from empire countries overseas. We should have told the United States over at Geneva last February that empire trade was a family matter, and should not have been included in the Geneva charter for any dominion at all.

Let me refer for a moment to the deal Russia has made with Finland. By a process of coercion with Finland she has secured a great port, Petsamo, on the arctic circle beyond Norway. She has grabbed this from poor Finland and has compelled her to pay vast tributes, half a billion dollars in five years. Now that she has secured this port, she will use slave labour brought over from soviet countries from which she has taken all the resources and given nothing in return. They have stolen nearly all Finland's trade and commerce, power sites, nickel mines, and food.

Russia has made trade treaties with many other countries, including Iceland. What is she going to do in Iceland? They have a trade treaty with that country, giving them a little in return; and they will have a base in Iceland for coal, timber, cement and salt, before we realize what they have done.

We are at the parting of the ways. What have we been doing since this debate started? We have been conducting a post mortem. It was pointed out by Mr. Wilgress the other day in Havana that of the eight hundred amendments which had been moved then by the twenty-one countries that signed the Geneva pact, Canada had not proposed one. He is supposed to be one of the brain trust who thinks he knows something about trade and commerce, although I do not know if he ever was in trade.

We are in the greatest economic gamble we have ever had in this country. The retroactive feature of this matter is important. We have no power to put this into effect, until this bill is passed, and it is to be dated back to the date of the announcement over the radio, November 17. I do not know of that having been done in connection with a financial bill in any country in the world. It goes back to the days of the family compact of 1837. We heard a lot about it then. But we must remember that the family compact helped to establish responsible government in this country. As was pointed out last night by an hon. member who sits to my left, we are back to the days of Magna Carta. It was said in the days of King John, and it can be

said now as then that the disarmament of the free is the tyrant's chance. We have had two long wars as the result of the disarmament folly of Great Britain. By this bill, Canada loses empire preference, and we are back to free trade and unrestricted reciprocity with the United States.

When one reads Bill No. 3 and adds to it the Hyde Park agreement, he begins to wonder what is happening. Hyde Park was made at Easter, 1944, for the defence of the western hemisphere. Now, by an agreement made in May, 1945, it is turned into an economic measure to eliminate empire trade and aid the United States forever. What has *Time* magazine to say about Hyde Park and the Geneva charter? It says that because of the Hyde Park economic agreement of 1945 Canada is now the 49th state of the union. That is all we are. In this state of unrestricted reciprocity and free trade with the United States, that is where we have now landed.

The businessman has been hamstrung by all these controls. We thought they were to last only during the war, but now we are to be hamstrung with them forever by austerity after the war. Controls which have been introduced will sooner or later rule, so that no man, wholesale or retail, can conduct his business. There is to be a regular horde of export and import officials who will be found everywhere, and the businessman will be put out of business. He will not know where he is going to wind up.

As I have said, I wish some hon. members had made a study of the agreements Soviet Russia has made with almost all countries of the world. Do not forget that she will use enslaved labour, nearly half a million of them, just as the Pharaohs did away back in the dim past. They took hundreds of thousands of men to do slave labour; and the Russians are doing the same, dumping them off in the arctic circle, and building huge walls, breakwaters and all that, by brutal savagery. What are those men? They are slaves, that is all they are, from free countries, who have had in eastern Europe to give Russia all their raw materials, food and manufactured goods by coercion.

Not only has Russia trade treaties with other countries of the world, but she has one with Great Britain. I was ashamed to read it; I was disgusted. Britain was our best customer for our grain, food and all our products of the sea, the soil, the forest and the mine, and never deserted us; so were France and Italy.

What mandate has the Minister of Finance (Mr. Abbott) or the present government for this kind of bill? As I said the other day, even my own party over here is one which has only of late given lip service throughout the country to preferential trade, which did so much during the dark days of the two wars and between them and during the depression to save this country from ruin, and save us from a greater depression. It was our greatest asset, now gone forever.

The government had no mandate to offer this policy to the people. Let us study what has been done to Czechoslovakia. The hon. member for Nanaimo (Mr. Pearkes), who has done a great deal for the soldiers of this country, has called my attention to what is happening to Czechoslovakia.

The ACTING SPEAKER (Mr. Golding): Order. The motion before the house is for the third reading of Bill No. 3.

Mr. CHURCH: Mr. Speaker, I am referring to the agreement which has been made by Britain with Czechoslovakia and which is driving the mother country away from the tariff protection which she had under preferences, as the cause and effect of Bill No. 3, and Britain has to seek food from Europe and other countries, including Denmark and Argentina. You will notice it is in the schedule. Britain has been practically forced out of the preference by the policy of this government. She has to provide food for 47,000,000 people and she cannot get it from Canada. She has had to go to Russia. She has made a treaty with them, a bargain. She has had to bargain with Poland. She has made one with Czechoslovakia. Russia made lengthy trade treaties with Poland, Czechoslovakia, Hungary, Yugoslavia, Bulgaria, Sweden, Norway, Denmark, Iceland, France, Great Britain, Uruguay and other countries.

Where has our trade gone? We had trade with all those countries and so had the mother country; so had New Zealand and so had Australia. They have been kicked out. We know what happened in Manchester and Birmingham under British preference. They did a tremendous amount of business with India, but now that business goes to the United States and Russia. Russia has also made an agreement with Italy, with Sweden, with Belgium and with some of our other allies to the injury of trade with Britain and the dominions. I will not refer to any more now, but they have made them with Hungary, Roumania. Britain did a large trade with Roumania in food and many other things like that. A great writer on all these soviet trade treaties, Peter Dene, said ably in his conclusions on the soviet raid on trade:

> This picture of post-war trade agreements concluded by Russia and her satellites shows how great are the distortion and shrinkage of trade and economic activity in a vital part of Europe. Before the war all these countries did

a far larger trade with Germany, with Britain and other western lands, and in many cases with one another. The great bulk of all this has vanished. What remains comprises only the most essential—but also the most paltry—exchanges.

We cannot now, under preferential trade, do any particular trade with the empire. The A.R. Clarke and Company Limited, a fine patent and finished leather manufacturing concern was, before the war, located in my constituency. They did trade with Asia Minor and almost every other country in Europe and the far east under preference, and with India, but they have had to close up. Now the United States or some other country will get that trade. This writer, Peter Dene continues:

> Very striking, among other things, is the inability of the much-vaunted soviet system to supply its satellites or anyone else with manufactured goods; raw materials are still the staples of Russia's exports. The fact, and its lessons, should be noted. As for the soviet satellites, a story current in Poland summarizes neatly what the present situation means for them. "What are the trade relations between Poland and Russia?" asked a foreigner.
>
> "Oh! most cordial!" answers a Pole. "We are sending them our textiles, and in return they are taking our coal."

Did you ever hear of such a system as that? Britain did a large trade with Poland for many years. I am not going to vote for this particular bill without a protest. I believe this particular bill will be the greatest economic gamble this country has ever made. If we abandon the mother country so far as preference is concerned, we shall never get preferences back. The government have not a mandate from the people. They have refused to give the people the facts, and they have not been altogether fair in giving the House of Commons the facts. As Mr. Wilgress said the other day, they cannot change this agreement one iota, and, as I say, we are only conducting a post mortem. It has been signed, sealed and delivered by twenty-one countries and it is retroactive to November 17. Mr. Wilgress sent a wire on behalf of the Canadian delegation from Havana saying that 800 amendments had been moved by twenty-one nations. Canada proposed none and not one was accepted there. Is that the kind of business we want to transact in this country? I say no.

The plan is all wrong. We shall find that there will be widespread unemployment and the reimposition of controls which will hamstring business and retard the development of our national resources, for want of a national policy for our resources. What have we done to save United States dollars since 1923, when I raised this matter? Have we a national coal and fuel policy today? No. Have we an oil supply, a policy of pipelines and real development? No. Have we developed the water powers of this country? No. We are even exporting power to United States industries along the St. Lawrence from power companies in Ontario and Quebec.

The present government has strangled the St. Lawrence waterway. They are to vote in Washington on Friday on the St. Lawrence waterway. I introduced resolutions concerning this waterway practically every year from 1923 onward. What is the policy of this government? Apparently the Minister of Transport (Mr. Chevrier) last fall appointed another useless commission to investigate the Lachine part of it. It will be going on in this way until doomsday if the present government has anything to do with it.

We should develop our own natural resources. Last year we had a chance to save the base metals of Labrador for the people of Newfoundland and for the benefit of this country. As the hon. member for Davenport (Mr. MacNicol) suggested last night, smelters should be erected to process this Labrador ore. We had a long discussion about these Labrador natural resources being handed over to a private company in the bill I opposed here last year. That is one of the most fatal mistakes we have ever made. This great hand-out is being made to private interests for their own power and gain. These various American interests are largely run from New York by United States citizens, and they have the best sites all over Canada, of our raw materials and natural resources.

I am a great admirer of the United States, but I think they would appreciate us more if we told them our side of the story. They do not want to take unfair advantage of us. We know what they did in the last two wars and we know what they are planning to do under the Marshall plan. They are a great people and they would respect us more if we told the truth, the whole truth and nothing but the truth about this particular bill, and our side of the story after the last war. We have been told nothing about this bill; we have been blindfolded and kept in the dark.

I am sorry to see the Minister of Reconstruction and Supply doing this work. This country stands at the darkest hour in its economic history. I do not know where the empire is going or whether the empire will survive. England is facing her darkest days. The Marshall plan is part and parcel of this bill because they will expect United States dollars for the food Canada supplied for Europe under this bill. It would be far better for the United States to hand over all that

to Europe. Parts of the United States loan to Britain are being given to other countries in Europe. It would be far better if they bought these things from us and then sent them over to Europe. We hope Britain will weather this storm. She can if she is left to herself. Britain is a great nation. She stood by us in two wars.

The hon. member for Vancouver South (Mr. Green), who has done splendid work and whose speeches I always like to hear, has complained about British Columbia not having a cabinet minister. In the last parliament which was dissolved in 1945, we had as many representatives from the Toronto district as there were members of our party from five or six of the nine provinces; yet the Toronto district has never had a cabinet representative since 1935—Toronto, the greatest city in the dominion, the centre of education, the leader in municipal institutions in the country, Canada's greatest manufacturing, taxpaying city and the centre of a great area of agricultural development. Yet we cannot get enough dollars from the government to have a steam suburban service, although Montreal island has had it for thirty years. We cannot get anything like that out of this government for Toronto. We are just a lot of orphans.

My hon. friend the member for Vancouver South perhaps can get along without a cabinet representative from British Columbia for two weeks or a few months, because the Toronto district has not had since 1935 any of these luxuries, and they are a luxury.

Under preferential trade we used to deal with Britain, our best customer, and send her our grain, food and raw materials and manufactures. Now see it gone and study these soviet deals and you will draw a lesson from them that will be fatal to Bill No. 3. As *Time* in its last issue said, Canada has now become the forty-ninth state of the United States.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I think it can be truthfully said that the members of this little group have been fighting the principle of Bill No. 3 ever since 1945. In the fall of that year the thirteen Social Crediters in this parliament, aided by the valiant efforts of the hon. member for Broadview (Mr. Church), fought this whole house to a standstill on the question of non-discrimination and the most-favoured-nation clauses involved in the Bretton Woods agreement. We have continued consistently to fight that principle ever since and will continue to fight it until we get some sense into the heads of members on the other side of the house who are determined to dive headlong, and carry Canada along with them, into the

[Mr. Church.]

certain morass prepared for them under the Bretton Woods agreement.

We have sympathy with the minister's need to safeguard Canada's supply of United States dollars. We understand that unusual measures must be taken to safeguard our position with regard to our supply and reserve of United States dollars, and we would gladly give him every support in whatever measures he sees fit and proves it necessary to take to that end. But when in this bill he also involves the principle of non-discrimination, this group has to fight against it, and it is mainly on that ground we have opposed this bill strongly and consistently. The principle of non-discrimination we hold to be a pernicious thing. It is a diabolical thing, and in due time every informed person in Canada will learn that it is a diabolical thing. In this bill the principle of non-discrimination or most-favoured-nation succeeds in extending to everybody non-discrimination with the exception of the Canadian people, against whom it is viciously discriminatory, and it is mainly because of that, sir, that we must oppose the third reading of this bill.

Hon. DOUGLAS ABBOTT (Minister of Finance): Mr. Speaker, the hon. member for Eglinton (Mr. Fleming) asked me the other day whether some arrangement could be made for the regular publication of statistics as to the number of permits issued under this legislation. I said I would give the matter consideration and discuss it with the officials, which I have done, and I have come to the conclusion that it should be sufficient if we were to make available such statistics every three months, in quarterly statements. In addition, there will be the regular annual statement as required by the bill. If additional information is desired at any time it could, of course, be made available, but it seems to me that if regular quarterly statements are issued of the number of permits granted it would provide the information which the public and hon. members might wish. I would think it would be sufficient if that information were made available to the press and issued to anybody who might wish to obtain it.

The house divided on the main motion (Mr. Abbott), which was agreed to on the following division:

YEAS

Messrs:

Abbott	Bonnier
Baker	Bourget
Beaudoin	Bradette
Beaudry	Brown
Belzile	Brunelle
Benidickson	Chevrier
Bertrand (Prescott)	Claxton
Blanchette	Cleaver
Boivin	Cloutier

Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cournoyer
Croll
Cruickshank
Dechene
Denis
Dickey
Dion (Lake St. John-Roberval)
Douglas
Dubois
Eudes
Farquhar
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gardiner
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gibson (Hamilton West)
Gingues
Gladstone
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Gregg
Hallé
Harris (Grey-Bruce)
Hartt
Healy
Howe
Ilsley
Isnor
Jean
Jutras
Kirk
Lafontaine
Langlois
Lapalme
Lapointe
Laurendeau
Leger
Lesage
McCann
McCubbin
McCulloch (Pictou)
Macdonald (Brantford City)
McDonald (Parry Sound)
McIvor
MacKinnon
MacLean
MacNaught
Maloney
Marier
Marquis
Matthews (Brandon)
Maybank
Mayhew
Michaud
Mitchell
Mullins
Mutch
Parent
Picard
Pinard
Raymond (Wright)
Reid
Richard (Gloucester)
Richard (Ottawa East)
Rinfret
Robinson (Simcoe East)
Ross (Hamilton East)
St. Laurent
Sinclair
Sinnott
Smith (York North)
Stuart (Charlotte)
Tremblay
Viau
Warren
Weir
Whitman
Winkler—102.

NAYS

Messrs:

Adamson
Argue
Ashby
Barrett
Bentley
Black (Yukon)
Blackmore
Blair
Boucher
Bowerman
Bradshaw
Brooks
Bryce
Burton
Campbell
Caouette
Case
Casselman
Castleden
Charlton
Church
Cockeram
Coldwell
Coyle
Diefenbaker
Dorion
Drope
Fair
Ferguson
Fleming
Fraser
Fulton
Gillis
Graydon
Green
Hackett
Hamel
Hansell
Harkness
Henderson
Héon
Herridge
Hodgson
Homuth
Irvine
Jackman
Jaenicke
Johnston
Kidd
Knight
Knowles
Kuhl
Lennard
Lockhart
Low
McCuaig
McCullough (Assiniboia)
Macdonnell (Muskoka-Ontario)
McGregor
MacInnis
McKay
MacNicol
Manross
Marshall
Matthews (Kootenay East)
Menary
Merritt
Moore
Murphy
Nicholson
Pearkes
Probe
Quelch
Robinson (Bruce)
Ross (St. Paul's)
Ross (Souris)
Skey
Smith (Calgary West)
Stephenson
Stewart (Winnipeg North)
Stokes
Strum, Mrs.
Thatcher
Timmins
Townley-Smith
Tustin
Webb
White (Hastings-Peterborough)
White (Middlesex East)
Wright
Wylie
Zaplitny—92.

Mr. TUCKER: I was paired with the hon. member for Vegreville (Mr. Hlynka). Had I voted I would have voted for the motion.

Mr. GARIEPY: I was paired with the hon. member for Victoria-Carleton (Mr. Hatfield). Had I voted I would have voted for the bill.

Mr. NIXON: I was paired. Had I voted I would have voted for the bill.

Mr. LITTLE: I was paired, Mr. Speaker. Had I voted I would have voted for the third reading.

Mr. BRACKEN: I was paired with the Prime Minister (Mr. Mackenzie King). Had I voted I would have voted against the measure.

Mr. McLURE: I was paired with the member for Beauce (Mr. Dionne). Had I voted I would have voted against the motion.

Mr. JAQUES: I was paired with the member for Matapedia-Matane (Mr. Cote). Had I voted I would have voted against the third reading.

Mr. SHAW: I was paired with the member for Ottawa West (Mr. McIlraith). Had I voted I would have voted against the third reading.

(Translation):

Mr. GAGNON: Mr. Speaker, I was paired with the Hon. the Postmaster General. Had I voted, I would have voted against the motion.

(Text):

Bill read the third time and passed.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

FARM IMPROVEMENT LOANS

AMENDMENT OF ACT OF 1944 EXTENDING ITS OPERATION FOR THREE YEARS

Mr. GLEASON BELZILE (Parliamentary Assistant to the Minister of Finance) moved the second reading of Bill No. 114, to amend the Farm Improvement Loans Act, 1944.

He said: Yesterday when the resolution preceding this bill was introduced in the house the leader of the opposition (Mr. Bracken) asked a few questions respecting this measure. He asked how much money had been lent under the act, how many loans there were, and in what sections of the country. He asked if the loans were being used to the extent expected, and what losses if any there have been. He further asked for a full statement respecting this measure and its administration during the last three years. It was therefore deemed advisable that a short statement of the purpose and working of the act of 1944 and of the objects of this bill be given the house.

As hon. members are well aware, the primary purpose of the act was to fill a gap in the credit system which has been developed in Canada to meet the needs of agriculture. That gap related chiefly to the provision of intermediate credit and certain types of short term credit to farmers for the improvement and development of farms, and for the improvement of living conditions thereon. The act aims at assisting the average farmer, who in the past frequently has not been able to secure bank credit for these purposes. It aims, moreover, at providing credit in a form and under terms and conditions which are convenient and suited to the needs and conditions of the particular farm borrower.

Farm improvement loans are made by the chartered banks, which are guaranteed against loss by the government up to ten per cent of the aggregate principal amount of loans made by each bank. The liability of the government is limited to an aggregate principal amount of $250,000,000 in loans by all banks, made within a three-year period. Loans may be obtained for periods up to ten years, depending upon the amount borrowed. The maximum amount of any loan that may be outstanding at any one time is $3,000. Interest is payable at the rate of five per cent simple interest. The regulations require that security of an appropriate kind shall be taken in all cases, and in order to facilitate the operations of the act and the taking of security the provisions of section 88 of the Bank Act were extended at the time of its 1944 revision.

Since the act became operative on March 1, 1945, it has facilitated the chartered banks of Canada in making a total of 39,387 loans to a dollar value of $31,423,129.23, up to December 31, 1947. This total is divided by years as follows:

	Number of loans	Total Amount
1945 (10 months)	4,311	$3,381,742.02
1946	13,030	9,880,565.74
1947	22,046	18,160,821.47

By provinces the loans were as follows:

	Number of loans	Total Amount
Alberta	14,600	$11,176,435.47
Saskatchewan	12,908	10,438,919.84
Manitoba	5,916	4,453,351.46
Ontario	3,905	3,738,720.44
British Columbia	1,063	854,634.54
Quebec	658	504,971.56
Nova Scotia	169	125,053.71
New Brunswick	126	107,370.71
Prince Edward Island	42	23,671.50

Of the total of some $31,000,000 lent under the act, there has been repaid the sum of $15,448,045.08. Repayments since the inception of the act are, therefore, equivalent to 49·1 per cent of the total amount loaned.

This bill provides for the following two amendments to the act of 1944. First, it extends the operation of the act for a further period of three years from March 1 next. Second, it broadens the field of loans in respect of which security may be taken by way of mortgage. Under the present act there are two limits on the amount of bank loans for farm improvement purposes that may be guaranteed by the Minister of Finance. First, there is a dollar limit of $250,000,000; second, there is a time limit of three years from the commencement of the existing act, which was March 1, 1945. The dollar limit allows a great deal of scope for further lending activity, but the time limit becomes effective by the end of this month. By this bill we close off the old pool of loans at what the amount will be at the end of February, and then provide for a new pool to start on March 1 next and to run for a further period of three years, provided that the amount does not exceed the balance of the dollar limit, roughly $215 million. Thus, in respect of the approximately $35,000,000 amount of loans made up to the end of this month, the Minister of Finance (Mr. Abbott) will pay all losses incurred by each bank, provided that they do not exceed ten per cent of the total eligible loans made by the bank. Then, in so far as new loans are

made after March 1 next and up until the end of three years therefrom or until the total amount of loans made by all banks from March 1, 1945, equals $250 million, we will pay losses of each bank up to ten per cent of the loans made by the bank.

With reference to the second amendment, the situation is now that mortgage security can be taken only where the loan exceeds $2,000 and the period for repayment is longer than five years. This has been found unduly restrictive and has tended to prevent the making of certain loans which otherwise would be made if mortgage security could be given.

The new amendment makes it possible to take mortgage security if the loan is made for the purpose of financing the construction, repair or alteration of, or making of additions to any building or structure on a farm; or if the loan is made for any other purpose, exceeds $2,000 in amount, and extends for longer than five years.

In closing my remarks, I wish to say that the banks have continued to give excellent co-operation in promoting the objectives of this legislation, both in the way of publicity and generally in making the provisions of the act known.

Mr. H. R. ARGUE (Wood Mountain): Mr. Speaker, hon. members will agree that the passage of a bill such as we now have before us is certainly essential. As the parliamentary assistant has ably pointed out, the scope of the provisions of the bill is wide indeed.

The original act, which this bill amends, provided for loans for farm improvements for such things as the purchase of farm implements, livestock, electrical systems, fencing, farm buildings and general improvements. Anyone who has travelled much in the rural sections of Canada will know that on almost any farm there is room for vast improvements.

I believe almost any farmer could use many hundreds of dollars to provide for improvements both in his farm equipment and in the home in which he and his family live. Therefore I believe the scope of this act has given the banks an opportunity to be of real service to Canadian agriculture.

The act when first introduced to the house in 1944 promised a good many things, and the then minister of finance stated in one place what he hoped the Farm Improvement Loans Act would do by way of reducing farm implement prices. Prior to the passing of that act the farm implement companies had financed their own credit when they placed machines out on credit. The excuse was made by the implement companies that the reason their implement prices had been kept high was that they had lost a lot of money through bad debts. The then minister of finance, speaking in the house on June 6, 1944, as reported at page 3609 of *Hansard*, said the following with respect to the farm improvment loans bill:

> When the scheme is in operation the great majority of farmers will be able to arrange a loan at the bank and pay cash to the manufacturer or dealer for his machinery and equipment. The lower rate of interest payable on farm improvement loans will constitute a direct saving to the farmer, and I am also hopeful that this method of financing will make a real contribution to a reduction in prices of farm implements and equipment.

I submit that the implement companies have taken advantage of the fact that there is an act such as this which provides a different means of credit for the purchasing of farm implements, and have absorbed the former costs of credits. This is well shown by the profits implement companies have made in the past few years.

The Farm Improvement Loans Act provides for interest at the rate of five per cent. I would say, in view of the general interest rates prevailing throughout Canada at the present time, that the interest rate is too high. The Canadian farm loan board is in business for the making of farm loans for the purchase of land, and that board is able to operate with a reasonable profit at an interest rate of four and one-half per cent. The Canadian farm loan board, in its report, shows assets in 1947 amounting to $22,909,000, acquired mainly through loans, and it shows that it made a profit of over $165,000. That $165,000 profit was made in respect of loans totalling $22,909,000 at a rate of interest which is one-half of one per cent less than is provided in the present measure. The Canadian farm loan board must borrow the money it uses for reinvestment purposes, and it has borrowed that money from the federal government at a rate of three and one-half per cent. So I say that the interest rate provided in the present measure is indeed high.

A further incentive to chartered banks has been the guarantee against loss up to ten per cent of the aggregate amount of their loans. Through this measure the government is saying to the banks, "We will give you the high rate of interest of five per cent, and also guarantee you against loss up to ten per cent of the aggregate amount of your loans. We will allow you to make the profits, and the Canadian people, through the government, will pay any losses you are likely to sustain."

I say this is leaning over backwards in an attempt to make very easy and profitable business for the chartered banks of Canada.

I was pleased to hear the parliamentary assistant read some statistics as to the amount of business accomplished through this measure thus far. If I understood him correctly he said that something more than $31,000,000 had been made in loans thus far under the act. The number of loans is approximately 40,000. That works out to an average loan of a little less than $800. On the basis of the total farms in Canada, which was 732,000 in 1941, it amounts to only $43 per farm. If the money were spread over the three years it would mean that, through this measure, the average farmer has received somewhat more than $14 a year with which to make improvements on his farm. I submit that such a small sum of money will do very little toward providing the improvements that are necessary on farms from one end of Canada to the other.

The past few years have been relatively prosperous years. In my opinion they have been years in which our banks would be likely to think these would be good loans that would be repaid. If during the last three years the total loans amounted to only $31,000,000, when times were good, then I submit that when times are not as good as they are today, when farm prices are lower as they are certain to be, this measure will not provide for the improvements that will be absolutely necessary on farms across Canada.

I think one of the reasons why farmers have not taken advantage of this measure more than they have was the experience they had during the nineteen thirties. During those years when they were unable to meet their interest payments they found that their debts increased each succeeding year. I regret that there is no crop failure clause in this bill under which farmers would not have their debts increased in years of crop failure. The fact that there is no crop failure clause together with the high interest rates no doubt accounts to a considerable extent for the fact that this act has not been used more.

In looking over the statistics provided by the bureau of statistics in connection with chartered banks for the period 1943 to 1946, I find that their investments in securities have increased much more than their loans. During that period, for each dollar of increase by way of loans the chartered banks increased their investment in securities by $4.30. The fact is that, even with a guarantee against loss amounting to ten per cent and the high rate of interest, the banks found it more favourable to invest in government securities. By that policy the people of Canada are being made to bonus the banks and keep them in business.

[Mr. Argue.]

The total loans which the chartered banks may make under this act and still be eligible for the ten per cent guarantee is $250,000,000, but actually the loans made amounted to only $31,000,000. That represents twelve per cent of what the banks could have lent under the Farm Improvement Loans Act. I say that the banks have done a twelve per cent job. They have not accomplished what the then minister of finance said in 1944 it was hoped they would. The then minister of finance is reported on page 3608 of *Hansard* of June 6, 1944, as follows:

> It is considered that a guarantee of ten per cent of the aggregate amount of loans made by one bank will be sufficient to offset the special risks attaching to farm improvement loans, yet will not be so large as to result in reckless lending without regard to the prospect of repayment. The amount of the guarantee is not, of course, the only factor that will influence the volume of loans. The attitude of the banks is important, and I have reason to believe that they will welcome the opportunity to extend their field of usefulness to farmers.

Whether they welcomed the opportunity or not, they certainly have not done the job through this bill which was necessary to improve efficiency in farming and to better the home conditions under which the farmer has to live. If we are to get sufficient money into the hands of farmers with which to buy necessary new machinery, with which to build the buildings that are necessary on our farms and provide for the host of improvements that come under this particular measure we must nationalize the chartered banks of Canada. If that is done, then money could be lent to agriculture at a cost which would be much less than the five per cent provided here, perhaps one-half the figure.

Mr. GIBSON (Comox-Alberni): Why not just give it to them?

Mr. ARGUE: The hon. member should move over to the Social Credit group if he is going to give something away. As I say, in order to make this bill effective the banks must be nationalized. Certainly the banks have not lent the money that is necessary to bring agriculture up to an efficient level. If that were done interest rates could be lowered and farmers encouraged to apply for the loans which are necessary to improve their farming operations. Apart from that, the most important thing to do is to provide a crop failure clause whereby the debt of a farmer would not be increased during a year of crop failure.

If farmers in Canada were certain today that their prices would be good for years to come; if they had faith in the so-called stability program of the government, and I say "so-

called" advisedly, then they would be willing to apply for loans whereby they could make the necessary improvements. However, in spite of the fact that this bill will not accomplish the objects for which it has been set up, I think even this mediocre bill is better than no bill at all.

Mr. H. W. HERRIDGE (Kootenay West): Mr. Speaker, I want to say a few words on this Bill No. 114, to amend the Farm Improvement Loans Act, 1944. I shall be brief because I spoke for nearly forty minutes the other evening on agricultural credit, and I can already see the pained expression on the face of the hon. member for Comox-Alberni (Mr. Gibson).

Mr. GIBSON (Comox-Alberni): Go right ahead.

Mr. BENTLEY: That comes from where he is sitting.

Mr. HERRIDGE: I know that this legislation has been of some benefit to the farmers of this country, but I do not think it is the final answer to the question of intermediate farm credit. I have a few criticisms to offer in connection with the bill in general.

My first criticism would be that the interest rate is too high. Anyone who has studied the history of agricultural credit in the older countries which have had a great deal of experience in the lending of money for agricultural purposes will agree that five per cent is too high a rate of interest. It is established, in Britain particularly, that money lent for agricultural purposes should not be charged an interest rate of more than three and a half per cent. The interest rate under this bill, five per cent, is, in my opinion, too high.

There is no provision in this bill, unless it is made in the regulations, which I have not seen or read, for the lending of money for clearing land. Provision is made for the lending of money for fencing, drainage, diking and things of that sort, but there is no provision for lending money for the clearing of land. I think that is a shortcoming in the bill. Many people are trying to develop forest farms, quite a number of them in the riding I have the honour to represent. I suggest that many of our farm ventures in the future will be forest farm ventures, and therefore provision should also be made in the bill for the lending of money for the purchase of a small portable mill, just as a person can now borrow under the bill to buy a tractor or other farm machinery.

The total of loans made in British Columbia to date under this bill is about $800,000, and comparing that with the $11,000,000 odd lent in Alberta, one would say that the act is not functioning very well in British Columbia.

One other criticism. I do not see any arrangements made for the lending of money to those raising feather-bearing animals. Loans can be made to those raising fur-bearing animals, and in my opinion some provision should be made for lending money to poultry farmers and also to bee farmers.

I am going to support this legislation because I think it is of some assistance to the farmers of this country, but I think the government should consider introducing federal legislation which will assist those who support credit unions. To mobilize the credit resources of the credit unions of Canada, we should have enabling legislation to make it possible for these organizations to work under a federal scheme. The credit unions of this country have a total capital of approximately $200 million, and if we had the proper type of legislation for the development of credit unions for rural purposes we would soon have a large fund in this country provided by the farmers themselves. If we enmesh, as it were, the people who are concerned with the administration of their own affairs we shall find that way much more successful than our present way of doing business.

The farmers of this country, particularly in the west, put their savings into banks and insurance companies. The banks and insurance companies, we might say, control the savings of the farmers of this country, and at the same time the banks of this country control the lending of money to the farmers. I would like to see that condition changed. I would like to see this government—and this is not a radical suggestion, not even a socialist suggestion—pass enabling legislation that would make it possible for the farmer organizations to develop credit unions to a much greater extent on a national basis, so that farmers could invest their own savings in what might be termed their own rural banks, and thereby have some control in their administration and in the lending of money for agricultural purposes.

During the past three years we have invested in industry in this country something like over $800 million a year. During the past year we have invested in agriculture, under the Canadian Farm Loan Act something under $3,000,000, and under this act, approximately $10,000,000 a year. When we consider that the capital value of agriculture in this country is approximately $5,000 million, with an annual production of $1,500 million, and that we have an investment of $800 million a year in industry as compared with $13,000,000 a year invested in agriculture,

we must realize that agricultural credit is not being supplied in sufficient quantities to develop agriculture as it should be developed at this time.

I repeat the suggestion I made the other evening. I believe the whole question of agricultural credit in this country should be referred for study to the committee on agriculture and colonization where witnesses can be called and the views obtained of representatives of farmer organizations in this country. But in the meantime, realizing that this bill contains certain benefits for the farmers and that under the present scheme of things it is necessary, I intend to support it.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, as intimated to the house a day or so ago, we propose to support this measure. It was supported generously from all sides of the house when it was introduced in 1944 and we propose to support its extension today. It provides a type of credit which for too long has been denied the farmers of Canada, an intermediate type of credit.

Before I proceed I wish to thank the parliamentary assistant to the Minister of Finance (Mr. Belzile) for providing the information in answer to questions I asked a few days ago. At the same time I should like to compliment him upon his maiden effort in the post he now holds. I would particularly compliment him on his facility in the use of a language which I gather is not the one he has always used. I only wish I could do as well in his language as he does in mine.

There are two questions I wish to raise and which I hope the Minister of Finance (Mr. Abbott) will deal with either now or in committee. It is this. In this act as we have had it for three years, and as it is proposed to continue it for another three years, there is provision for a guarantee on the part of the government against loss up to ten per cent of the loans. I ask the Minister of Finance whether he believes it is necessary to continue that guarantee.

The other question I wish to ask is this. The interest rate on these loans is fixed at five per cent. In view of the prevailing low rates of interest, and particularly in view of the guarantee by the government to meet a portion of any loss, does the government believe that it is necessary to charge a rate as high as five per cent in this measure?

As I said, we support the principle of the bill. We are pleased to know that it has been appreciated by the farmers of Canada to the extent that it has, and I am sure that they will welcome its extension. I would, however, appreciate a statement by the minister with respect to the two points I have raised, namely, the necessity of continuing the guarantee against loss, and whether the rate of interest could not be lowered at this time.

Mr. T. J. BENTLEY (Swift Current): Mr. Speaker, I wish to say a word or two on this measure. I shall try not to be long, not long enough to cause any great frown to appear on the face of the hon. member for Comox-Alberni (Mr. Gibson).

Mr. GIBSON (Comox-Alberni): I am a tolerant chap.

Mr. BENTLEY: He did interject one remark when the hon. member for Wood Mountain (Mr. Argue) was speaking. He said, "Why not give it to them?"

Mr. GIBSON (Comox-Alberni): You fellows are not satisfied with anything.

Mr. BENTLEY: Even if you did give money to the farmers of Canada for capital development, it would be a good investment. I am not recommending it, but if you did it would be a good investment.

Mr. GIBSON (Comox-Alberni): Good politics; go ahead and recommend it.

Mr. BENTLEY: It would be good politics and I recommend that type of action to the hon. member. He might get some more independents around him and form a party of his own.

Mr. GIBSON (Comox-Alberni): It would be an improvement on the C.C.F., anyway.

Mr. BENTLEY: I should like to point out to the hon. member also, Mr. Speaker, that while it is important to have the industry with which he is so much concerned, namely, that of timber—

Mr. GIBSON (Comox-Alberni): We do not get free loans.

Mr. BENTLEY: We could live a lot longer without timber than we could without food. The important basic industry of Canada is in our agriculture and because of that, along with other hon. members who have spoken tonight, I am not going to oppose this bill when it comes to a vote. I am one of those who believe, if you cannot get a whole slice, you should take the bottom crust if you have to and hope that you can get some more later on. This distinctly is the bottom crust so far as agricultural loans are concerned.

I congratulate the parliamentary assistant on his method of dealing with this bill tonight; but beyond that I cannot congratulate the

government on a bill that has produced only a total of $31,000,000 in three years. Certainly the agricultural development of this country requires more than an average of $10,000,000 a year to improve the capital equipment on Canadian farms. The very fact that it has not been done is an indication of two things: first, that the people who would be the customers for borrowing that money, the farmers, feel that there is something risky about it. The five per cent is too high a rate for them to face. The second thing is that the banks, even though guaranteed, are not yet prepared, even with the guarantee of assistance that they have in this bill, to do what our Progressive Conservative friends remind us so much of, use a little venture in their business and actually help develop the country with venture capital.

Something is radically wrong when a measure of this kind has made it possible for only that much money to be lent in that number of years.

Mr. MACDONNELL (Muskoka-Ontario): Will the hon. gentleman permit a question purely for the sake of information, because I have no knowledge of the matter? Will the hon. gentleman say whether he does not think the amount of loans, which he considers small in the last three years, may have been due to the fact that farmers have had a great deal of purchasing power, and perhaps for reasons of the recent war there was not the enormous amount of farm machinery and so on available? The chief part of my question is whether he does not think the amount of the loans has been due to the fact that the farmers have had a great deal of purchasing power, and did not require to ask for the loans?

Mr. BENTLEY: Without question I think the hon. member for Muskoka-Ontario is correct, that there have been larger amounts of money in the farmer's pockets, and possibly a shortage of goods has made it unnecessary for him to borrow, or made it impossible for him to borrow the amounts for capital equipment that he might otherwise have done. The price may also have had something to do with the matter. But when you consider all that, $31,000,000 is a pitiably small amount. I venture to say, Mr. Speaker, that if the recommendations of those who have spoken tonight, the hon. member for Wood Mountain and the hon. member for Kootenay West (Mr. Herridge), with regard to interest rates were accepted it is entirely likely that the farmers would make use of an act which permitted them to borrow money at a lower interest rate, and they would retire present loans which many of them have at the present time with private institutions and on which the interest rate is comparatively high. I believe that would develop much faster than we can estimate at the present time.

However, the fact remains that the loans have been small and that the need for agricultural development is great. Because of that, I believe also we should have a much lower interest rate. I do not know whether we can ask the private banks to reduce their rates or not. Personally if I had my way—which, of course, I shall not have while that outfit sits over there to your right, Mr. Speaker—I would nationalize the banks and rearrange their policies so that they would actually serve the people rather than make a profit for their shareholders as they are doing at the present time.

Mr. GIBSON (Comox-Alberni): Then you would have to vote right before you got a loan.

Mr. BENTLEY: No, not at all. You do not now have to vote right in order to get a loan and you would not have to do it then. You would have to have the right kind of a proposition to lay before the lending authority and then you would get the loan. That is the way it would operate under a C.C.F. government. Nationalization would not mean political partisanship on the part of every prospective customer of the bank, and it is ridiculous to make statements of that kind. However, we can expect ridiculous statements to be made now and again by some people.

We have the Canadian farm loan board which makes it possible for longer term loans. This particular bill which we have before us tonight simply extends the old act of 1944 which is headed:

> An act to encourage the provision of intermediate term and short term credit to farmers for the improvement and development of farms . . .

In this country there should be provision for a lending institution which can use money created by the parliament of Canada for the use of the people of Canada in this kind of development. If that were done it would be possible immeasurably to reduce the risks of the loan and the interest rates. We recommend that for the government's consideration and for the consideration of all hon. members.

Mr. GIBSON (Comox-Alberni): Why don't you join the Social Credit party?

Mr. BENTLEY: The hon. member can call it anything he likes. We believe it would be a proper public service, and that is part of the C.C.F. policy. If it is the policy of some other

political party, that is fine. We have no quarrel with other parties having that kind of policy also. But since we are not likely to get it from those who administer the affairs of this country at the present time, I want to draw this to the attention of the responsible members of the front benches on the other side of the house that bank means "a bank incorporated under the provisions of the Bank Act." That again is not fair. It makes it possible for the chartered banks, privately owned institutions, to make loans under a pretty good guarantee at a pretty fair rate of interest, and they are very unlikely to lose. That being the case, I see no reason why even this government, who time and again, through the voice of their Minister of Agriculture, have claimed to be the fathers of co-operative enterprise, have not included among those who have the right to make loans under the guarantee the credit unions of the country.

In Saskatchewan we have, I believe, about 182 of them, besides a central organization which has, as its membership, co-operatives and credit unions. In Quebec there is a great credit union development, and in other provinces there are such institutions to some extent. If we are to give the right to private banks to lend money under a guarantee of the government, then I do not see why the government should not extend the same privilege to the people's banks which are, as we call them, credit unions.

If that suggestion were adopted I do not think it would be very long until this government, or any government sitting across the way, would recognize the value of such action and take steps to encourage further development of people-owned or co-operative banks of that kind, where the lending of the money, whether under government guarantee or not, would be supervised by people who have a definite interest in the institution making the loan, and where the decision would be made as to whether the loan was a good one.

An hon. MEMBER: Private enterprise.

Mr. BENTLEY: Co-operative enterprise in the shape of these credit unions is private enterprise, infinitely more private than some of the monopolies which at the present time exercise such economic control over certain natural resources and business institutions that no individual less financially strong can possibly hope to compete with them in that field. In the field of co-operate enterprise, however, which is distinctly private and distinctly voluntary, these people can learn and do learn successfully to operate their own co-operative banks with their own money. They lay that money out in loans under the careful supervision of a credit committee according to decisions made at their annual meetings attended by members of the institutions.

I suggest that if this government would make it possible for these institutions to receive the same treatment as that accorded the chartered banks which are now lending money under this act or any other assistance act that is passed, and if in doing so the government would also encourage the development of such institutions so that there could be built up and organized credit unions and co-operative banks in the country, it would prove to all members of this house and to the people at large that it is possible to have publicly owned banks operating successfully, efficiently and in the interests of the public who will produce the things that this country needs so badly.

One other aspect of this bill which I criticize, even if none of my other suggestions are taken into consideration, is the fact that this act was passed only three years ago. It was passed for a term of three years, which term will expire next Saturday night, I suppose, and this bill enables it to continue for three years more. If this kind of bill is necessary, and I do not see why the house passed it if they did not believe it was necessary; if it is essential to have this kind of institution, then why in the name of goodness should we limit its lifetime to three years? If the government really believes that it is a good act, why should it not extend the act for at least ten years; or has the government some benevolent idea that at the end of the next three years it will have an improvement to offer? If so, let the government tell us what that improvement is and we will congratulate them upon it. But why limit the terms of this act to three years? If they believe that it is for the general good of agriculture and, therefore, of the country, I cannot see any object in bringing in this bill unless it is extended for at least ten years, and I would say even longer. If this bill were for a period of twenty-five years we could offer amendments at any time to improve it along the lines I suggested earlier in my remarks.

An hon. MEMBER: They fear they will be out of there in three years.

Mr. BENTLEY: An hon. member says they will be out of there in three years. They will be out in two years. I do not think they will be in there a third year.

Mr. GIBSON (Comox-Alberni): What minister will you be?

Mr. BENTLEY: The hon. gentleman asks me what minister I shall be. Well, I shall not

be a minister such as they have in British Columbia carrying the title Progressive Conservative—Liberal Progressive coalition. I shall have a definite name. I shall not have my arms around somebody out there while opposing them here. It has been evident in the last few days in British Columbia that Rudyard Kipling was right when he said that the colonel's lady and Judy O'Grady were sisters under the skin—I mean Colonel Drew's lady and the Liberal Judy O'Grady.

What I was about to say when I was interrupted by the hon member was that, even if the Liberals were over there after the next general election, I believe I am offering constructive suggestions for a farm loan institution, and I hope that all members in the house will see the value of these suggestions. Therefore, no matter which party may in the course of events occupy the benches over there, I hope that the words of wisdom which I have imparted tonight will have sprouted and grown up into something worthwhile. At any rate, this bill is better than nothing, and consequently I cannot say anything against it except that it should be a lot better than it is.

Mr. VICTOR QUELCH (Acadia): I have just a few comments to offer on this bill. We in this group support the bill because we believe it serves a useful purpose; but, as we said when the bill was first introduced in 1944, we believe the rate of interest is too high, having in mind the fact that the government guarantees losses up to ten per cent. However, I do not feel like joining with some of the other speakers in criticizing the measure on the ground that the amount of business that has been done is small.

I would not at this time advise any farmer to go into debt, because at the present time the prices of everything the farmer has to buy are at top levels and there is no guarantee today that in the not far distant future the prices of the things he has to sell may not have gone down. If a farmer now loads himself with debt he may have to pay that debt back at greatly reduced prices. Therefore it is fortunate that this act has not been utilized to a greater extent than it has been, and I am hoping that it will not need to be resorted to, to any great extent.

I realize, however, that there will always be a certain number of farmers who will have to make use of legislation of this kind. You remember how in the early days it used to be possible for farmers to buy machinery from the machinery companies without making a cash payment down. A farmer could buy a binder and pay for it in three years. Today the situation is different. If you want a binder or a combine you have to pay cash, and if you have not the cash you have to go to a finance corporation and borrow the money. When you go to a finance corporation you pay very high rates; you pay finance charges and a high rate of interest. In view of the fact that some farmers have to buy machinery when they have not the cash, it may be a good thing to have legislation of this kind under which they may get loans at a lower rate.

I would not take the stand that it is not advisable to use this measure to any great extent if at this time we had a long-term program of stabilizing agricultural prices. If agricultural prices were stabilized at parity level for the future, then a farmer could go ahead with full confidence and borrow from an institution of this kind. So far we do not have that. We have no legislation to guarantee prices beyond 1949, as far as wheat is concerned. The Agricultural Prices Support Act is a transitional measure; it may be here today and gone tomorrow for all we know. We are hoping that the government this session will bring down legislation to stabilize agricultural prices in future, at a parity level. Until that is done, however, I repeat that I think farmers would be wise to avoid borrowing, as much as they possibly can. Most of us remember what happened after the last war, when so many farmers borrowed money. They paid high prices for the things they bought; they paid high interest rates, and after a few years they were repaying those loans with sixty cent wheat, though the debts were incurred at a time when wheat was $2 a bushel. I remember that, as I think all hon. members remember it. With that in mind, it will be a good thing for farmers if they can get by without having to use this legislation. We have a number of questions to ask, but we shall have to wait until the committee stage is reached.

Mr. P. E. WRIGHT (Melfort): I should like to say a few words in support of what was said by the hon. member for Wood Mountain (Mr. Argue) and the hon. member for Swift Current (Mr. Bentley) with respect to this bill. The hon. member for Wood Mountain said he believed that the interest rate was too high. I quite agree. This summer I had the privilege of meeting a gentleman who was visiting Canada, and who was chairman of the Birmingham city savings bank, which was started by a small group of the Birmingham city council some twenty-two years ago. Since that time the institution has grown until today it has forty branches in Birmingham, with a central office. One of the things he could not understand was why our interest rates should be so high in Canada. He told me that the people's bank in the city of

Birmingham paid 2½ per cent interest on deposits and lent money on housing projects in Birmingham at 3½ per cent. In the years since 1922 they have built up a reserve of some £80,000,000. Some of it, of course, was made at a time when there was a greater margin of interest than at present, but he said that with a margin of one per cent they were able to make a profit. We all know the interest we get on deposits in the chartered banks in Canada; yet here we find that under this act the chartered banks, with a ten per cent guarantee on the part of the government, want an interest rate of five per cent.

Mr. SPEAKER: Order. I am sorry to interrupt the hon. member but I would direct his attention to the bill now before the house and ask him to confine his remarks to it. He should discuss only the merits of that bill, which is to amend the Farm Improvement Loans Act, 1944. It is not a bill to amend the Bank Act.

Mr. WRIGHT: I am talking about the interest rate being charged under this bill, and as an illustration I have mentioned a people's bank in Great Britain, to prove my point that I believe the interest rate is too high.

Mr. SPEAKER: Order. I believe it is my duty to point out to the hon. member that since the beginning of this session the Speaker has been very lenient in not requiring hon. members to confine their remarks to the bill or measure under discussion. I believe that from now on I must remind hon. members that it is a rule of the house that on second reading the debate should be on the merits of the bill. I am sure the hon. gentleman will agree that he should not take advantage of this opportunity to discuss the position of the banks in Canada or the possibility of amending the Bank Act in order to alter the banking system in this country. What we have before us is a bill to amend the farm loan act, and I would ask hon. members from now on to confine their remarks to the measure before the house.

Mr. WRIGHT: I shall do my best to follow Your Honour's directions.

I want to support the suggestion by the hon. member for Swift Current that the provisions of this act should be extended to the credit unions in Canada. I am sure they are closer to the people who will be actually requiring these loans than probably any other institution in this country. If they could be given the privileges that exist under the bill, including the government guarantee, I think you would find the loans would increase to a very great extent, because people in rural areas like to deal with their own institutions, especially in those provinces of Canada where the co-operative movement and the credit unions have been built up. Those were the two suggestions I wished to make.

Mr. J. M. MACDONNELL (Muskoka-Ontario): I presume the parliamentary assistant will be making some comments, and I wanted to ask a question with respect to one or two figures he gave. He pointed out that in the province of Quebec there were only 658 loans as against nearly 6,000 in Manitoba; or, what is perhaps more comparable, as against something like 3,900 in Ontario. Would the parliamentary assistant say something by way of explanation of that, if there is a ready explanation? It would seem as though the legislation as at present constituted is not suitable for Quebec.

Mr. W. GARFIELD CASE (Grey North): Mr. Speaker, this bill is entitled, "An Act to amend the Farm Improvement Loans Act, 1944." I am convinced that this amendment is designed solely to protect the institutions which are lending the money for these farm improvements, and for that reason I may be more or less critical as we proceed to deal with the various clauses of the bill. I consider it unfortunate that we have the trend which is evident on the part of our rural population, and particularly the younger people, toward the larger urban centres, which indicates that they are losing their interest in the rural life of the community. I also think it is unfortunate that those who reside in the urban centres do not seem to appreciate how much the future economic welfare of this country depends upon the basic industry of agriculture; and I think that is the case in other countries as well. So my suggestion would be that rather than seek any restrictions such as those imposed in this bill we might encourage those who are in a position to lend money to have greater confidence in the future agricultural development of this nation so as to be ready to assume some credit risk.

There is evidence in the bill of a lack of confidence in the future productive capacity of the nation. I make the appeal that, in due time, our urban centres must come to appreciate the contributions made to the economic welfare of the dominion by our basic producers, including those engaged in agriculture, our fishermen, those who work in the mines and in the forests.

When we travel through life we think of our railroads; we think of the police force which protects us, the firemen who protect our property. But, in a sense, none of these is basic. So my appeal is simply to make it

more attractive for the farmers of this great land to remain on their farms, and to make it possible for them to show a profit from their operations.

I repeat that this measure to amend the Farm Improvement Loans Act conveys only one thought to me, and that is greater security for the lender and less confidence in the future of Canada for those who must borrow.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1.—Limitation of amount of liability to bank.

Mr. LOW: Perhaps the parliamentary assistant might give us a little more information at this point. Has he any figures showing the losses sustained, if there have been any losses sustained and paid by the government to date?

Mr. GLEASON BELZILE (Parliamentary Assistant to the Minister of Finance): None, so far.

Mr. LOW: Is it possible to get any figures showing a comparison of the cost of servicing this type of loan with the cost of servicing an ordinary bank loan to a farmer?

Mr. BELZILE: I do not think there is any difference in the servicing cost of these loans. They are rather small loans, averaging about $800 each. I do not think the cost of servicing them is much higher than the average cost of servicing at a bank.

Mr. LOW: Should it be any greater, taking into consideration the supervision that has to be exercised and the form of mortgage and hypothec that has to be taken?

Mr. BELZILE: I do not think so.

Mr. LOW: It should not be any greater than the cost of servicing an ordinary loan.

Mr. BELZILE: I do not think so.

Mr. LOW: Is it not possible for most farmers who would qualify under this bill to obtain loans today from commercial banks at five per cent, the same rate as is called for in this bill? I am speaking of short term.

Mr. BELZILE: I think the standard rate now in banks is six per cent on short-term loans for small amounts. Personal loans are given at from five and a half to six per cent at the banks.

Mr. LOW: My experience is that a good many are given at five per cent. Does the parliamentary assistant not believe that the value of a government guarantee which would prevent banks from losing one cent on these loans would be worth more than one-half of one per cent, bearing in mind the fact that today bonds of the Dominion of Canada set the interest base to a great extent, and call for about three per cent? I notice the chartered banks find it very profitable to invest considerable sums of money in government bonds at three per cent. Should the government's guarantee not be worth a considerable reduction in the rate of interest?

Mr. BELZILE: Section 3 (1) (f) of the Farm Improvement Loans Act, 1944, states:

> . . . the rate of interest charged by the bank on the loan did not exceed five per centum per annum simple interest.

Of course that is the maximum.

Mr. LOW: How many loans have been made under the act since 1944 at less than five per cent?

Mr. KNOWLES: And what is the answer?

Mr. BELZILE: None.

Mr. LOW: It becomes a serious matter for the farmers of the country. Where the government is taking all the risk the people would have to make good any losses through increased taxation. In a measure, therefore, people are supplying their own credit; they are practically guaranteeing their own credit. I maintain that the government should consider seriously amending the legislation in committee to provide for a rate of interest lower than five per cent. My judgment is that the banks, having had some experience with this sort of thing, might very well lend money under this act with this guarantee to qualifying farmers at a rate of interest of not more than three and a half per cent and make money. I would suggest that the minister and his parliamentary assistant consider that proposition to see if it would not be possible to bring in an amendment providing for a rate of interest of not more than three and a half per cent.

Mr. MAYHEW: I would point out that many of these loans have been made in remote parts of the country rather than in the more settled areas. Many have been made in the Peace River district. Most of the loans have been on heavy farm machinery such as combines and tractors. It should be noted that a loan may extend over a period of ten years, and the bank must service it during that period. I think a rate of five per cent on a small loan over a long period is an excellent rate. The total of the loans for the first year was $3,000,000; for the next year it was $9,000,000 and last year it was $18,000,000. I

think that indicates that the act has done the job it was intended to do. I am quite satisfied that in the next three years there will be a steady improvement. This was not intended to be the sole lending body or to provide a cure for all the ills of farmers; it was intended merely to provide loans on not very good risks.

Mr. LOW: Is it not true that the larger part of the loans made under this act have been made to good credit risks rather than to poor ones as is suggested?

Mr. MAYHEW: The fact that there has been no loss would indicate that the risks have been good, but you have to consider that the last three-year period has been a good one. Machinery which can be easily moved or which can be destroyed in a fire is not a good risk for the lending of money.

Mr. LOW: It is easy to see that my hon. friend has not had much experience with machinery of the type that farmers would buy. Is it not true that a certain cash payment must be made before a loan can be obtained?

Mr. MAYHEW: Yes.

Mr. LOW: Is it not true that the repayment schedule takes into consideration the going rate of depreciation on the machine?

Mr. MAYHEW: Yes, you are about right.

Mr. LOW: Is it not true that the machine must be insured before a loan is granted?

Mr. MAYHEW: No, that is not true.

Mr. LOW: It certainly is true in connection with trucks. A good bank manager would certainly make sure that there was every protection before a loan was granted.

Mr. MAYHEW: No insurance is required.

Mr. LOW: Can a bank demand insurance on farm machinery as it demands it on trucks? Can the hon. member assure the committee that, in view of the fact that no losses have been sustained over a period of years in granting loans at rates of interest comparable with those charged for commercial loans, the government will give consideration to the lowering of the interest rate?

Mr. MAYHEW: Personally I would think the government would be wise to continue the five per cent rate. There has been no great experience with this act during normal times because the last three years were not normal.

Mr. LOW: Has the government given consideration to extending the time and also to creating an institution capable of taking care

of the needs of farmers and other basic producers for short and medium term loans?

Mr. MAYHEW: I do not think my colleague or I could presume to say what the government has been doing in connection with this.

Mr. LOW: The hon. member for Swift Current called attention to the need of having an institution which would extend medium and short-term credits on a reasonable basis to farmers and other basic producers. That is certainly lacking now. Would it be possible for us to hope that this might grow into such an institution, or is it the government's plan to cut it off at the end of three years and say they are through?

Mr. MAYHEW: If the credit unions were dominion organizations we might consider it.

Mr. LOW: The hon. gentleman apparently has misunderstood me because I did not mean to use the credit unions. My own experience in Alberta leads me to believe that the credit union would not be the suitable body to supervise this type of loan. I doubt very much if the co-operative principle could be successfully maintained where the money is supplied by an outside source, say a government, and given to the co-operative union to supervise and administer. My judgment is that it would not succeed. It may have succeeded in South Africa or Europe, but I doubt very much if the co-operative set-up in the provinces of Canada is such as to guarantee the success of such a venture. What I wanted to ask the hon. gentleman was whether it would be possible to use the experience gained under this act to develop an institution that would be prepared to extend medium and short-term loans of this kind to farmers and other basic producers.

Mr. LESAGE: Surely that is a question of government policy.

Mr. LOW: That is what I am trying to get at.

Mr. LESAGE: It will be made known in due time.

Mr. BENTLEY: I would point out to the hon. member for Peace River that no money is used except the bank's money. Credit unions operate the same way. It has been suggested that the credit unions would not be a fit and proper institution because they would not be able to administer the lending of money which is not their own. That is not a valid argument, because the banks are not lending money that is given to them by

another institution. So the position of the two is exactly the same. Even though credit unions cannot create their own money, they could administer these loans satisfactorily if they were given the right to do so, even if they did not do as extensive a business as a bank.

The junior parliamentary assistant stated that 49·1 per cent of the total amount lent had been repaid. Does that represent payments made on loans or retirement of loans or partly both, and, if so, to what extent in each case?

Mr. BELZILÆ: Both.

Mr. BENTLEY: What is the average period of time for which a loan is made under this act?

Mr. BELZILE: For a loan not exceeding $200, the maximum term is eighteen months; for $400 the maximum term is two years; for $750 the maximum term is three years; for $1,250 the maximum is four and a half years; for $2,000 the maximum term is seven years; and for $3,000, up to a maximum period of ten years.

Mr. BENTLEY: Would it be difficult to give a breakdown of the number of loans within each of the categories just mentioned?

Mr. BELZILE: I am sorry we have not a breakdown.

Mr. NICHOLSON: The senior parliamentary assistant said that the period for which this act has been operating has not been a normal one, and I gathered from his remarks that he anticipated that the government might be required to make good some losses in the next two years. What is his basis for assuming that the last three years have not been normal? Does he anticipate a collapse in farm prices and that the government will have to compensate the banks for a substantial loss?

Mr. MAYHEW: We are not anticipating a slump.

Mr. NICHOLSON: What did the hon. member mean by saying that this has not been a normal period?

Mr. MAYHEW: You would not call the last three years exactly a normal period.

Mr. NICHOLSON: I was using your words.

Mr. MAYHEW: I think the farmers and nearly everybody else in Canada have been more prosperous in the last three years than in almost any other three years for a long time.

Mr. BENTLEY: Would you not call that a good norm?

Mr. MAYHEW: Yes.

Mr. NICHOLSON: The farmers would like to have as good prices as they are getting now. It is difficult to convince them that they are getting too large a share of the national income. Is the government looking for a slump?

Mr. MAYHEW: We are not looking for a slump and I do not think Canada need have a slump unless we make it. If we keep on doing the work that has to be done in Canada in the next few years we shall have good times.

Mr. JOHNSTON: If you change your policy.

Mr. MAYHEW: We shall have good times because I am sure this government is coming back again.

Mr. BRACKEN: On the second reading of the bill I asked certain questions of the parliamentary assistant, one of which has been discussed to some extent in committee. The first had to do with the necessity of continuing the guarantee, and the second with the interest rate, about which there has been a good deal of discussion. When the government brings forward a measure of this kind continuing the guarantee clause and providing a rate of five per cent interest, ordinarily we can assume that that is the final policy of the government for the time being. The question I would ask, however, is this: has the government given consideration to whether it can eliminate this guarantee and still have money available under this measure to the extent necessary to serve the needs of the farmers for intermediate credit?

Mr. MAYHEW: I do not think there has been sufficient time to test whether it can work without a guarantee or not. If a farmer could get a loan from the bank in the normal way there would be no advantage in having this act; but by providing this guarantee we encourage the farmer to go to the bank and get a loan when he is in difficulties, even if his security is not of the best, so that he will not have to go to some small loan company and pay fifteen or twenty per cent for the money or have to buy machinery on a time-basis plan.

Mr. BRACKEN: The fact that the government comes forward with the guarantee provision in the bill indicates that it wishes to continue that policy for the time being. We have a right to assume that that is government policy. In the light of three years'

experience in the administration of the act, is it fair to say that the government did re-examine its position and conclude that this guarantee was needed for sometime in the future? I assume that the answer is in the affirmative, and, if so, there is no use in pressing the matter further.

Mr. MAYHEW: The answer to that is very definitely in the affirmative. The government considers it necessary to continue the act on this basis.

Mr. BRACKEN: With respect to the interest rate of five per cent, it was provided three or four years ago. Is it fair to say again that the government now feels that it cannot lower the interest rate for the next three years? Is that final government policy with respect to this matter? If it is we need not waste further time on it.

Mr. MAYHEW: That is government policy. We think that, in view of the amount of service which the banks have to give in inspection, collection and everything else, five per cent is fair and reasonable. This is merely an extension for another three years, during which time they can take full loan value out of the $250 million. The first act was for three years. We have used some $30,000,000 out of it. We are now extending the time in which the remainder of that money can be lent and on the same basis.

Mr. BRACKEN: Then the government feels it would be unsound to bring forward a measure providing for a lower rate of interest under these conditions?

Mr. WRIGHT: The parliamentary assistant indicated that he did not have a breakdown of the loans as to amounts, but that he did have the breakdown as to purposes for which the loans were made. Could he give us the purposes for which the loans were made under the act?

Mr. BELZILE: For the purchase of implements, the total number of loans made was 30,129, for a total amount of $24,984,022.59. For the purchase of livestock, the number of loans was 1,725, for a total amount of $1,009,-770.88. For the purchase and installation of agricultural equipment or a farm electric system, the number of loans was 266, for a total amount of $132,527.20. For the alteration or improvement of the farm electric system, seven loans were made to a total amount of $2,471. For the erection or construction of fencing or works for drainage on a farm, the number of loans was 149 and the total amount was $186,185.07. For the construction, repairs or alteration of or making additions to any building or structure on a farm, the total number of loans was 4,226, for a total amount of $4,128,472.35; and for any work for the improvement or development of a farm, the total number of loans was 2,885, for a total amount of $1,079,680.14.

[Mr. Bracken.]

Mr. GILLIS: Has the parliamentary assistant a breakdown by provinces?

Mr. BELZILE: We have a breakdown by provinces which was given on second reading. Here it is. In Alberta 14,600 loans were made, for a total amount of $11,176,435.47. In Saskatchewan 12,908 loans were made, for a total amount of $10,438,919.84. In Manitoba 5,916 loans were made, for a total amount of $4,454,-351.46. In Ontario 3,905 loans were made, for a total amount of $3,738,720.44. In British Columbia 1,063 loans were made, for a total amount of $854,634.54. In Quebec 658 loans were made, for a total amount of $504,971.56. In Nova Scotia 169 loans were made, for a total amount of $125,053.71. In New Brunswick 126 loans were made, for a total amount of $107,370.71. In Prince Edward Island forty-two loans were made, for a total amount of $23,671.50.

Mr. SMITH (Calgary West): That was all read before, was it not?

Mr. GILLIS: Thank you very much. That makes a complete picture in one *Hansard*. They do not like to see you do a good job.

Mr. ROSS (Souris): It is a double picture.

Mr. SMITH (Calgary West): It is a double exposure, which ruins things. I want to ask this question of the assistant to the minister. As I understand it, this is simply extending the time of the present measure for another three years. The interest rate remains the same, five per cent?

Mr. MAYHEW: Yes.

Mr. SMITH (Calgary West): Am I correct in assuming that it is the projection of the value of money over the next three years? The value is five per cent because you fix five per cent for your next three years. Am I safe in assuming that, that being so—we know it is so—it is the view of the government as to the interest value of money over the coming three years?

Mr. MAYHEW: I do not think one can assume that from these loans. If you were dealing in large loans over shorter periods or even over a longer period and with better security, naturally the interest rates would be considerably below that. Where our industrial loans are fairly large, the rate is 3½ per cent. As I said before, under this measure we have loans of $200 spread over eighteen

months. It costs a lot to service them, more than the actual interest rate, but I do not think it has any bearing at all on what one would call the normal rate of interest.

Mr. SMITH (Calgary West): I realize what was said and I agree with it. I know that the service costs on short-term loans are higher than they are on long-term loans. But this is what I have in mind. Some years ago we set up $250 million for the purpose of these loans, whatever they are. Frankly it does not matter to me what they are. They all bear a relative value to the different kinds of loans; therefore different rates are struck with respect to these different kinds of loans. What I am asking the parliamentary assistants to the minister is whether it is their view and, therefore, the government's view—because even though ministers may not express government policy I am sure that their juniors will since it is a well known thing in the operation of our country—that the continuation of the interest rate over the next three years on the same basis expresses government policy with respect to the value of money during that period? I am anxious to know whether that is the view of the government.

Mr. MAYHEW: I would suggest that the hon. member for Calgary West ask his question of the Minister of Finance when he is in his place.

Mr. SMITH (Calgary West): Mr. Chairman, with the greatest respect in the world I can only say that officially I cannot see the Minister of Finance.

The CHAIRMAN: Order. I probably should draw the attention of the committee to the fact that we are considering the Farm Improvement Loans Act, and it occurred to me that we should discuss the rate of interest in relation to that act and not from a wider point of view. In committee, as hon. members know, discussion should be strictly relevant to the section under discussion.

Mr. SMITH (Calgary West): I am inclined to think that was directed at me, and unless I am greatly mistaken it was. But how can you possibly discuss any fixed rate of interest over a period of future years without having regard to the basic fact, which we all know so well, that rates change not only in three years but from year to year? The value of money is fixed by its interest rates. It starts with exchanges, and where you borrow; it runs into farm loans, housing loans, bank loans and all that sort of thing. With the greatest respect, Mr. Chairman, I think what I did say was entirely relevant; and I am anxious to know, for example—because we get wonderful leadership from this government in some things—whether it was the idea of the government that during the next three years, having regard only to $250 million, if you like—I said that with my tongue in my cheek because it is more money than I can conceive of—this policy of five per cent interest represented the government's view as to the future money market in this country in that period of time.

The CHAIRMAN: I understood the rate of interest at five per cent to be a maximum rate and not necessarily the rate to be charged under the bill, not a fixed rate at least. The hon. member for Calgary West may have been in order, but I did not think that under present circumstances it would be advisable to discuss the general rate of interest for all types of loans. However, I leave it to the committee.

Mr. BURTON: I have no desire to go beyond the confines of the act, nor do I think any other member of the committee wishes to do so. Nevertheless, while the bill is before us, an opportunity is afforded the committee to endeavour to help the government to make the act as good as it can possibly be. I believe I am voicing the opinion of more members than those of our group when I say that there is much room for improvement here. When we cover this territory we are only doing our duty as members of the committee. In that connection I should like to ask the parliamentary assistant whether the government, in considering the drafting of this legislation, gave any thought to extending the benefits of this provision to a wider field than is incorporated in the bill. In other words, has the government considered granting the same privileges to credit unions as to chartered banks?

Mr. BELZILE: Of course we appreciate what the credit unions have done for the people of the country, but I would point out that they are incorporated under provincial laws and therefore come under the jurisdiction of provincial governments, whereas the banks, being incorporated by federal statute, are under the jurisdiction of the federal government. It was therefore deemed advisable that these agreements be made with the banks, over which this government has some control, while it has no control over the credit unions since they depend upon provincial legislatures for their status.

Mr. BURTON: If I understood the parliamentary assistant correctly, before the benefits of this measure can be extended to credit unions they will have to be incorporated by dominion statute?

Mr. BELZILE: Yes.

Mr. BURTON: May I go one step farther and inquire whether credit unions in different parts of Canada, or any number of them, have made representations to the government to be incorporated in this undertaking, or have they been advised as to the steps that are necessary?

Mr. BELZILE: I have not been informed that such steps have been taken. I happen to be very much interested in the caisses populaires in the province of Quebec and in credit unions in general, and I believe there was some kind of dominion council of credit unions, but I understand that they operate only on a provincial basis. Representatives from the different provinces sometimes attend the dominion council.

Mr. BURTON: I do not wish to labour this point, but I submit that the suggestions made by the hon. member for Swift Current, the hon. member for Wood Mountain and others of this group are worthwhile, and I hope the government will endeavour to encourage credit unions so to arrange their set-up that they can make use of this legislation. I am firmly of the opinion that credit unions operating within neighbourhoods in which these loans are made are just as competent to handle this business properly and efficiently as any branch bank manager. If my humble voice will be of any assistance in supporting my colleagues in that contention, I urge the parliamentary assistant to bring the suggestion to the attention of the minister.

Mr. IRVINE: Would the parliamentary assistant be good enough to read the section of the act which gives power only to banks to handle the fund? If I understood him, he did not give the correct reason why institutions such as credit unions could not come under the act. I do not think it is because they are not operating under federal charter, but because this fund is confined to the chartered banks under the Bank Act.

Mr. BELZILE: In section 2, paragraph (c) of the bill of 1944, under interpretation, "bank" is said to mean "a bank incorporated by or under the provision of the Bank Act."

Mr. KNIGHT: It has been stated that the number of loans in Quebec is very small in proportion to population. Would the parliamentary assistant go so far as to admit that that is a matter for gratification on the part of the people of Quebec by reason of the satisfaction they have received from the caisses populaires as a lending institution? Would the fact that there are so many caisses populaires in Quebec have anything to do with the fewness of loans in that province?

Mr. BELZILE: In the province of Quebec a special credit which we call the prêts agricoles and which is financed through the provincial government permits loans to be made for building and general farm improvement. In addition, as the hon. member just mentioned, there is, I should think, a caisse populaire in almost every parish. They extend quite a lot of credit as well. Those probably are the reasons; and also, as I think my colleague mentioned a while ago, the farmers in my province are rather prosperous in these times. Then there has been a shortage of goods to be bought and a scarcity of labour, which have prevented some farmers from seeking loans.

Mr. HACKETT: Is it not a fact that the caisse populaire is not a rival of the farm loan board, but rather provides funds in smaller amounts to meet seasonal needs? There may be some mortgages, but as a general rule I think the loans of the caisse populaire do not constitute competition for the farm loan board. Then, speaking of the relatively small number of farm loans in Quebec, I believe such loans are not made to any great extent in the old parishes, where a large percentage of the people own their land free. I think the loans are made in areas where land is being taken up, where the French people are going as settlers or where they are buying land from English-speaking people or from large companies. I believe the percentage of loans is low on farms in the old parishes.

Mr. BELZILE: The hon. member for Stanstead is well informed on the situation of the farming community in the province of Quebec. I might add that our farming people do not go in for big machinery, combines and such implements, to the extent the western farmers do.

Mr. McKAY: I wonder if the committee could be informed as to how the aggregate principal amount for lending purposes is apportioned as between the various chartered banks. If the aggregate of $250 million named in the bill is reached, on which, of course, the government guarantees against a ten per cent loss, are those loans based on the capitalization of the banks, or is some other method employed? A statement was given tonight as to the amount of loans made in the various provinces, but I do not think there has been any indication as to the amount the various chartered banks have been able to lend throughout the dominion.

Mr. BELZILE: I do not think there is any allotment or allocation made to the different banks on the basis of their size or capitalization. The loans are made on the application of the farmers to their own banks. I have before me a breakdown of the loans made by the chartered banks of Canada since the inception of the measure, as follows:

	Number of loans	Total Amount
Royal Bank of Canada ..	10,819	$8,600,000
Canadian Bank of Commerce	10,208	7,900,000
Bank of Montreal	7,834	6,300,000
Bank of Toronto	3,607	2,700,000
Imperial Bank of Canada	3,141	2,600,000
Bank of Nova Scotia	1,932	1,700,000
Dominion Bank	1,047	900,000
Banque Canadienne Nationale	798	600,000
Banque Provinciale du Canada	1	1,200

Mr. McKAY: Just a word on that point; if no quota is set on some definite basis there is nothing to prevent one bank from getting the lion's share of the aggregate of $250 million.

Mr. ROSS (Souris): There is a point I think the parliamentary assistant can clear up in regard to the small number of loans in the province of Quebec. You may say I am a little out of order, Mr. Chairman, but this is a temporary measure and I believe it is closely related to the farm loan act. There was a time when the province of Quebec paid half the interest rate under that act. Probably that province now has a lending board of its own, with interest at about three per cent. If that were so I think it would partly answer that question.

Mr. BELZILE: The rate on farm loans financed through the provincial government is five per cent, of which I think the federal government pays two per cent, so that the provincial government pays only three per cent.

Mr. MacNICOL: How much?

Mr. BELZILE: The Quebec government pays three per cent interest and the federal government pays the difference of two per cent.

Mr. ROSS (Souris): Under the Canadian farm loan board?

Mr. BELZILE: Yes.

Mr. HACKETT: The five per cent includes the portion of the capital which is repaid, does it not?

Mr. BELZILE: Yes.

Mr. HACKETT: But the interest rate is as the hon. member for Souris stated; a straight three per cent, is it not?

Mr. BELZILE: The total amount on a loan for forty years is 5·75 per cent per annum. That is capital and interest. Of that the federal government contributes a certain amount every year to take care of the interest, something like 2½ per cent, the same amount paid on federal farm loans.

Mr. HACKETT: But the interest is three per cent, is it not, as distinct from the refunding aspect?

Mr. BELZILE: The total amount is 5·75 per cent per annum which takes care of interest and principal, but the straight interest is three per cent.

Mr. HACKETT: I am seeking now to ascertain the rate of interest as distinct from the amortization. It is my understanding that the rate of interest is three per cent and that anything in excess of this goes toward repayment of the principal.

Mr. BELZILE: That is right; it is three per cent interest and 2·75 on capital.

Mr. McCULLOUGH (Assiniboia): No doubt when the Farm Improvement Loans Act, 1944, was brought into force the government intended that it should serve a useful purpose. They undertook to guarantee the lending institutions, that is the chartered banks, any loss up to ten per cent of the $250 million, in case that much should be loaned. Now, after three years, we find the government extending this act; but during the period it has been in force, only about $30,000,000 in loans have been taken up. I think it is quite clear that the act has not operated to the extent the government may have hoped it would, and I feel one of the reasons, as some of my colleagues have already stated, is that the interest rate is far too high.

The senior parliamentary assistant has told the committee this evening that he does not consider as normal the period of time this act has been in operation. One is disturbed if he is to take from that remark the suggestion that we can look forward to a period which is not normal. On account of that condition we are told that the government does not see fit to bring down the interest rate to one at which farmers can secure loans.

I feel there must be a real reason why the farmers have not gone to the banks and secured loans, or why the banks have not seen fit to give those loans. I find that in 1941 the total farm debts, including mortgages and

agreements of sale, amounted to $799 million. That is a formidable amount of debt on the farm population of this country. It has already been indicated in this debate that the lack of machinery on our farms is an urgent problem. Then, to go into the matter further, figures from the Dominion Bureau of Statistics show that the institutional holdings of farm debt by insurance companies, trust loans on mortgages, government agencies, railways and other organizations for 1945 were reduced to $263 million, whereas in 1938 the figure had stood at $418 million. Surely that indicates that the position of our farm people in respect of the reduction of debt is favourable. If we can anticipate the continuation of prosperity of our farming communities it is only reasonable to expect the lending institutions in this country to give farmers risk capital at a decent rate of interest. I would, therefore, ask the government to give real consideration to bringing the rate of interest down to two and a half or three per cent, more in line with the risk involved.

When we find the government putting a prop under private enterprise, as it is doing in this bill to the extent of ten per cent, and when we have the government's own statement that no losses have been incurred—in other words, when we have prosperity the farmer pays his debts—it is only reasonable to ask the government to give serious consideration to reducing the rate of interest, and not leaving it so that provision is made for a maximum of five per cent, and a lower rate only if the bank sees fit.

While I am on my feet, I would ask the government to give serious consideration to the suggestion put forward by the hon. members for Wood Mountain and Swift Current to the effect that, in respect of crop failure, the farmer, after setting out his loss, should have a crop security, so that in the event of his losing his crop no interest would be payable in that year.

How many applications for loans have been made under the act, but have not been approved?

Mr. MAYHEW: We would not have the number of applications where they have gone to the banks and have been turned down. But I am informed that it has not been customary to turn loans down.

Mr. McCULLOUGH (Assiniboia): Do I understand the parliamentary assistant to say he is not aware of applications being turned down?

Mr. HACKETT: There must have been some turned down; good business would dictate that.

[Mr. McCullough (Assiniboia).]

Mr. WRIGHT: I take it that when the idea of amending the act was under discussion the government would have consultation with the banks respecting the amendments. During those consultations, were any representations made by the government to the banks respecting a reduction in the rate of interest, and may we have any information available with respect to those consultations?

Mr. MAYHEW: I cannot answer that question. I do not think any representations were made. I would point out, however, that this act has been in operation for only three years. Last year it was amended to include poultry farmers, and it is now being amended further to give wider use. I believe the committee and country can expect that the government will try to make the act a success and something which will be helpful to the people as a whole. Whether it can afford to amend the rate of interest at a later time, I cannot say.

Mr. HACKETT: What was the gross farm debt in 1930? I understood the hon. member for Assiniboia to say that it was about $400 million in 1938. The Farmers' Creditors Arrangement Act came into operation in the early thirties and resulted in a substantial reduction in the debt weighing upon farm lands. I believe it would be of interest to the committee if the parliamentary assistant could state by what amount the debts of the farmers were reduced by the operation of that act.

The DEPUTY CHAIRMAN: I do not believe it would be wise at this time to enter into a discussion of the Farmers' Creditors Arrangement Act. We should deal specifically with the bill before us.

Mr. HACKETT: Even if you did not think it wise, Mr. Chairman, we might differ from you on that point, but I would submit that the matter was in order. And, being in order, I should hope I would have the indulgence of the Chair to have an answer from the parliamentary assistant. If the information is not available, we shall wait until it is.

The DEPUTY CHAIRMAN: I would say at once that, under the rules, the hon. member is entirely out of order. The rule is that in committee a speech must be strictly relevant to the section of the bill under discussion. Certainly at this time we are not discussing the Farmers' Creditors Arrangement Act.

Mr. TOWNLEY-SMITH: Can we be informed whether the money to be made available under this act is limited to any particular province? Could one province have the use of all the money, if it made the proper number of applications?

Mr. MAYHEW: I suppose the first applications to come in would be served first. There is no other way it could be done.

Mr. HACKETT: I should like to go back to my question about farm debt. My question was relevant to farm debt; and unless we are going to—

The DEPUTY CHAIRMAN: We are dealing with a bill to amend the Farm Improvement Loans Act.

Mr. HACKETT: Yes.

The DEPUTY CHAIRMAN: The hon. member knows as well as I that this section does not present an opportunity to deal with the Farmers' Creditors Arrangement Act or any other act. That is one reason why we have not made greater progress, because we do not confine ourselves as the rules say we should to the section under discussion.

Mr. HACKETT: I do not discuss matters with the Speaker or the Chairman very frequently, but I am seeking to make a useful comparison. I do not think we would lose as much time if I were permitted to get an answer as we would in debating whether or not my question is relevant.

The DEPUTY CHAIRMAN: I happened to be here between 1930 and 1935, and I remember my hon. friend occupying this chair and taking the same position as I am now taking.

Mr. HACKETT: I think if I were to ask the Chairman to quote chapter and verse he might be a little embarrassed. I will not go further in denying what has been said, but in the meantime I would be grateful if the Chairman would make some allowance for that period of my green and salad youth and permit the hon. gentleman to answer the question.

Mr. MacNICOL: Mr. Chairman, if I remember correctly, from 1930 to 1935 I occupied that chair more than all other hon. members put together.

Mr. HACKETT: I thank the Chairman for having mistaken me for the hon. member for Davenport.

The DEPUTY CHAIRMAN: I agree that the hon. member for Davenport did occupy the chair a great many times but, in looking through the records of the decisions given, I came across one by the hon. member for Stanstead.

Mr. IRVINE: I should like to point out to the hon. gentlemen who are piloting this bill that, in my opinion, they have not given enough consideration to the question asked by the hon. member for Weyburn. I understand that there is a certain sum available under this act, $250 million?

Mr. BELZILE: Yes.

Mr. IRVINE: The hon. member for Weyburn was anxious to find out how it might be apportioned if the demand should become greater. For many reasons some of which have been mentioned tonight, this fund has not been drawn on extensively during the past three years, but it may be in the following three years. It is conceivable that one province might demand the entire $250 million, and I think we are entitled to know the basis upon which the fund would be administered.

Mr. CASTLEDEN: Why is this extension of the bill limited to three years?

Mr. MAYHEW: I said before that this money is not allocated to the provinces, and that is quite evident from the way the money has been drawn in the past. While it is possible, it certainly is not probable that any one province would ask for the whole $215 million.

Mr. IRVINE: They might come in first and get away with it all in a proper and legal manner.

Mr. CASTLEDEN: I asked why the act was being extended for only three years.

Mr. BELZILE: The first bill was passed in 1944 for a period of three years and we want to renew it for another term of three years.

Mr. CASTLEDEN: If the legislation is of any value, why bring it up every three years? The fact is that when the farmer wants an extension of capital it is generally at a time when credit is easy, when money is cheap and he can generally get a loan from the bank. There has been plenty of money available under this legislation for the past three years when things have been fairly good, relatively speaking, for the farmer. The next three years may be years in which our farmers may not want extra capital, but a period may come when there are crop failures and they will want loans. That will be the time when they will need money out of this fund, but they may not be able to get it. This legislation is something like the chap who lends you an umbrella when the weather is fine but who takes it back from you when it begins to rain.

Mr. BELZILE: The act is to encourage the provision of intermediate term and short-term credit. I do not think a $200 loan should be extended for ten years. The regulations which I have cited provide for a maximum term of eighteen months for a loan of $200, and up to ten years for a loan of $3,000. With refer-

ence to the crop failure section, I might say that a bank may, with the borrower's approval, revise an agreement in any way. It can extend the time; it can reduce the amount of the instalments, and it can increase or decrease the period between payments. In any case where a borrower might be in default he can have the terms of his loan revised without in any way discharging the responsibility of the Minister of Finance in this matter.

Mr. MACDONNELL (Muskoka-Ontario): Now that the hon. member for Stanstead has left the chamber, may I on his behalf have an answer with regard to the act in which he and the hon. member for Davenport were so much interested fifteen years ago?

The DEPUTY CHAIRMAN: This bill has nothing to do with the Farmers' Creditors Arrangement Act, and hon. members should not try to interject a discussion of that act into a discussion of this clause. It is absolutely out of order.

Mr. ROSS (Souris): There has been considerable discussion this evening as to why only $31,000,000 of this $250,000,000 has been used. I think the answer is that we are in an inflationary period and have been almost ever since this act has been in force. I know many farmers who want to repair and build, but if you look at the second to the last report of the Bank of Canada you will see that the building index is at 202. Farmers are frightened of going into debt for many of the things they actually need.

Farm implements were mentioned, and I think all hon. members know that the supply does not begin to take care of the demand. The fact is that farmers fear going into debt to buy things at prices which are rising daily. Electrical appliances were mentioned, but I would remind the committee that, with one stroke of the pen when parliament was not sitting, the cost of those things was increased 25 per cent. It is these and other reasons why greater advantage has not been taken of this legislation.

When the act was brought into being in 1944 we argued that the interest rate should be around three and half per cent. I should like to know upon what basis the present rate was arrived at. The banks charge different rates of interest in the different provinces, depending upon local conditions.

Mr. McCULLOUGH (Assiniboia): Then the hon. member would say that these higher costs are due to the orderly decontrol?

Mr. ROSS (Souris): I am not saying anything about that. I do not think it will be disputed that the figures I have given from government's experts are accurate. As I say, that is the prevailing situation, and I am sorry to say that it is getting worse instead of better. That is why more use is not being made of this measure. It was stated when it was brought down that it was for the transitional period following the war; that was the reason given at the time.

Mr. QUELCH: If a situation should develop such as has been suggested where the demand for loans is greater than the capital available, what will be the governing principle? Will the loans be made where the need is greatest or where the credit is of the best? So far as we are concerned, they should be made where the need is greatest.

Mr. BELZILE: It is up to the manager of the bank. Of course the banks are not run exactly as charitable institutions.

Mr. QUELCH: Do you leave discretionary powers to the banks to divide up the loans?

Mr. BELZILE: It is purely discretionary with the banks.

Mr. ZAPLITNY: The hon. member for Melfort asked whether there had been consultation between the department and the banks as to the interest rate in view of these impending amendments, and the reply of the junior parliamentary assistant was that he was not sure whether such consultation had taken place, but no representations, he said, had been made to the banks with regard to the interest rate. I want to make sure whether that is correct, that no representations were made by the department to the banks with a view to having the interest rate lowered.

Mr. MAYHEW: I said I did not know of any representations having been made.

Mr. ZAPLITNY: That is an important point, because the information given us earlier was that of the $31,000,000 lent none had been lost in the three years of the operation of the act. One would have thought, therefore, that in the interest of the farmers the government would have sought to have the interest rate reduced. The banks are apparently doing a very safe business under this act. The minister is here now, and perhaps he could tell us definitely whether any representations were made by the government to the banks with a view to having the interest rate lowered.

Mr. ABBOTT: Not so far as I know.

Mr. McCULLOUGH (Assiniboia): The hon. member for Souris has given us his reason why he thinks more loans have not been made under the act. The high cost of farm imple-

ments and other equipment would be a deterring factor in the farmers taking advantage of the act. But I do not agree with the hon. member that this should be a short-term measure.

Mr. ROSS (Souris): I did not suggest that it should be. I said that was the reason given by the government on introducing the bill in 1944.

Mr. McCULLOUGH (Assiniboia): There should be a source of credit available to farmers at a low rate of interest so that they can develop their farms efficiently. Out west you can see farm after farm abandoned because during the 1930's the farmers had to pay a tremendous rate of interest to the banks on loans and mortgages on their farms, and hundreds of farmers lost their farms in consequence. As the hon. member for Swift Current said this evening, agriculture is the backbone of this country and, until we get a measure through which will provide credit to our farmers at a reasonable rate of interest, we have no alternative but to support this measure even though it is inadequate to the needs.

Mr. ROSS (Souris): I want to make it clear that I was not suggesting that this should be a short-term measure. I realize just as well as the hon. member for Assiniboia that there is a great need for credit among the farmers, especially of western Canada, and has been for years.

Section agreed to.

On section 2—Form of security by bank.

Mr. ZAPLITNY: Paragraph (a) states the purposes for which a loan will be made, and paragraph (b) says:

(b) for any purpose other than that specified in paragraph (a).

Is there any limitation whatsoever on the purposes for which a loan may be made? Or is it wide open for any purpose whatsoever?

Mr. BELZILE: The purposes are specific. It may be to buy agricultural implements or livestock, for alterations and improvements to a farm, for fencing, draining, ditching, construction, repairs and alterations to farm buildings, for the improvement and development of a farm, and general improvements.

An hon. MEMBER: That does not include paying off a debt?

Mr. BELZILE: No.

Mr. McMASTER: Are the words in line 10, "the principal amount of the loan exceeds two thousand dollars and the period for repayment thereof is longer than five years" intended to qualify paragraph (a) as well as (b)?

Mr. BELZILE: No, just (b).

Mr. ZAPLITNY: What is the procedure normally followed in making application for a loan under the act? I suppose that a farmer needing a loan goes to the bank and speaks to the manager. Does the manager himself decide on the application without the matter going any farther and there being no appeal from his decision? In other words, is it left entirely in the hands of the bank manager?

Mr. BELZILE: When a borrower wants to get a loan he goes to the bank manager and fills out a form, which is later turned in to the department; and the applicant, when the loan is granted, files a document showing the goods he has bought with the proceeds. At the end of the month the bank makes a report to the department stating that such-and-such a loan has been made.

Mr. ZAPLITNY: That covers the case of a loan that is made. But if the bank manager turns down the request for a loan, the department hears no more about it?

Mr. BELZILE: That is correct.

Mr. ZAPLITNY: Then the department would have no information and no way of compiling information as to the number of applicants for loans who had been turned down?

Mr. BELZILE: There is no way of checking on loans which have been refused.

Mr. STUART (Charlotte): Will primary producers other than farmers be eligible for these loans?

Mr. MAYHEW: No.

Mr. STUART (Charlotte): I know that this bill is called the Farm Improvement Loans Act. In cases of this kind the general view should be taken that all primary producers should be included. Apparently this bill is for the benefit only of the farmers of Canada. I should like to be told why other primary producers are not eligible. I will speak of the fishermen. They must have boats and equipment to work with. They must have homes in which to live. Why this discrimination? Why is one primary producer selected to take advantage of these loans and other primary producers not included?

Mr. CASTLEDEN: If no answer is to be given to the last question I should like to ask a question on section 2. It states that in case the amount of the loan is more than $2,000

the bank can take a mortgage or hypothec upon the farm. Then with regard to foreclosure this might easily happen. The farmer has a loan of $2,000, but the next year he has a crop failure. Is it entirely within the discretion of the bank as to whether or not foreclosure would be entered into? Does the government exercise any discretion or protection in the way of advising the bank as to when it shall or shall not foreclose? In many cases, if the farmer is allowed to carry on for a year or two, even though he cannot make his payment in one particular year, in a couple of years he may be able to make the payments and in that way save his home. In that event he would be able to pay both the government and the bank and save his home. I was wondering whether there was some provision in the act which would carry him over a year or two when, through no fault of his own, he has no income at all.

Mr. BELZILE: I explained a little while ago that the terms of the loans could be revised. In case of default the banks make a report to the minister every three months stating that some loans are in default. That is the only procedure that is required by the department.

Mr. CASTLEDEN: There is no provision for the minister to advise as to whether or not foreclosure should be carried on or proceeded with?

Mr. BELZILE: No.

Mr. CASTLEDEN: None whatever?

Mr. BELZILE: No.

Mr. CASTLEDEN: Is it entirely in the hands of the bank?

Mr. BELZILE: Yes.

Section agreed to.

Section 3 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

WAYS AND MEANS

EXCISE TAX ACT AMENDMENT

The house in committee of ways and means, Mr. Golding in the chair.

That it is expedient to introduce a measure to amend the Excise Tax Act and to provide:

1. That on and after November 18, 1947, there shall be imposed, levied and collected an excise tax of twenty-five per cent (25%) on the following goods imported into or manufactured or produced in Canada: (a) The following electrical appliances: waffle irons; roasters; kettles; chafing dishes; juice extractors; coffee makers; toasters of all kinds; portable humidifiers; curling irons or tongs; hair dryers; permanent waving machines and spacers or clamps; rods and heaters therefor; razors and shavers; garbage disposal units; (b) The following electrical appliances when adapted to household use; food or drink mixers; food choppers and grinders; irons and ironers; vacuum cleaners and attachments therefor; floor waxers and polishers; (c) Electric or gas refrigerators or freezing equipment, and coils, condensing or compressor units, cabinets, boxes, evaporators and expansion valves therefor; all the foregoing when adapted to household or apartment use or when for use in places of entertainment, amusement or recreation, including rinks, auditoria, halls and clubs; (d) Firearms except for military or police purposes; (e) Outboard motors; (f) Motorcycles, and all other two or three-wheeled motor-driven vehicles including motors for attachment to bicycles but not including vehicles specially designed for carrying goods or for use by invalids; (g) Projectors for slides, films or pictures designed for industrial or professional photographers' use; (h) Toilet articles of all kinds (including combs, mirrors and brushes other than tooth brushes or shaving brushes the duty paid value or the Canadian manufacturer's selling price of which combs, mirrors and brushes is more than twenty-five cents each) and which items do not already come within any other item in schedule one of the said act.

2. That on and after November 18, 1947, the rate of excise tax on automobiles adapted or adaptable for passenger use with seating capacity for not more than ten persons each, imported into or manufactured or produced in Canada be increased from ten per cent to the following rates, namely, on automobiles valued at $1,200 or less, 25 per cent; over $1,200 but not more than $2,000, 25 per cent on $1,200 plus 50 per cent on the amount in excess of $1,200; over $2,000, 25 per cent on $1,200 plus 50 per cent on $800 plus 75 per cent on the amount in excess of $2,000.

3. That on and after November 18, 1947, the rate of excise tax on phonographs, record playing devices, radio broadcast receiving sets and tubes therefor, be increased from ten per cent to twenty-five per cent;

4. That on and after November 18, 1947, the rate of excise tax on cameras, photographic films and plates, projectors for slides, films or pictures, except those designed exclusively for industrial or professional photographers' use, be increased from ten per cent to twenty-five per cent;

5. That on and after November 18, 1947, electricity and gas used in dwellings be exempt from consumption or sales tax; and

6. That on and after November 18, 1947, the excise tax of one cent per pound on sugar, grape sugar, glucose, sugar syrup, corn syrup, etc., be repealed.

Mr. MACDONNELL (Muskoka-Ontario): Mr. Chairman, last night the minister gave us what was a drastic revision of the original articles covered by the resolution, and I think I have one or two general questions which

the minister might perhaps answer now, and which will lead me to other questions. Can the minister give us in some detail a breakdown of the savings in United States exchange which were expected to be made? The bill is designed to do two things, to collect taxes and to save United States dollars. Can the minister give us, in whatever form is convenient to him, figures which were estimated when the schedules were first prepared, and the changes which will result from the eliminations which have been made?

Hon. DOUGLAS ABBOTT (Minister of Finance): No estimates were made as to what the savings in United States exchange might be as a result of the curtailment of consumption in Canada of those articles as a result of the imposition of the tax. Therefore, since no estimate was made, nor do I think it would have been possible to make any accurate estimate, I can give the committee no idea as to what it might amount to.

Mr. MACDONNELL (Muskoka-Ontario): The minister says that no estimate was made of the saving of exchange. Was an estimate made of the taxation likely to be collected?

Mr. ABBOTT: No; it was felt that it was extremely difficult to do even that, and I could not give the committee any estimate as to the amount of taxes which would likely be realized from the imposition of this particular tax. There are so many uncertain factors. Perhaps it would be a bit easier to estimate in connection with automobiles than with any other thing; but there again it is hard to say how much the imposition of this tax would, in fact, cause prospective purchasers of automobiles to defer the purchase. Therefore my officials found that it was really impossible to make anything like an accurate estimate of the probable tax realization from the imposition of the proposed tax.

Mr. MACDONNELL (Muskoka-Ontario): To turn to another aspect of it, I take it that it must be possible for the minister to give us in some detail the reasons for the drastic changes which have been made. They have just been referred to. I should like to hear the minister say something as to the reasons, because the changes have been drastic in the extreme.

While I am on my feet, I should like to ask another question. It has been represented to me that actually the falling off which was expected in United States purchases has not taken place. For instance, in electric tableware and that kind of thing, can the minister give figures showing us whether or not the expectations have been realized?

Mr. ABBOTT: No, I cannot give any figures. It is probably a little early yet in any event for there to have been any real results which could be shown. A good many of those who were affected by the taxes have made representations to us that orders have been cancelled and that their volume will be substantially reduced. I must say that when I received those representations I had to point out to them, regretfully as it might be, that was one of the purposes which the proposed tax was intended to accomplish. But I have not yet any figures, and I think it would be pretty difficult to give them at this stage, as to what the actual effect of the imposition of the tax would be. There are so many other factors that might influence the purchase of these particular goods that one perhaps could never put one's finger exactly on what the effect of this tax might be.

As to the other point, the reasons for the drastic changes that have been made, as a matter of fact the changes have not been nearly so drastic as might appear. The first change made was the removal of electric stoves from the list of electrical appliances on which it was proposed that the tax should be imposed. The principal reason for that was this. It was represented to me, and I am satisfied that it was the case, that in a great many sections of Canada there was really no alternative form of cooking stove which could be made readily available. One outstanding example occurred in a certain section of the city of Winnipeg, and that was true elsewhere. And, since a cooking stove is an essential part of household equipment, it was felt that, much as we would like to reduce, for the time being, the manufacture and purchase of electrical stoves, it would not be desirable to impose a tax on that particular article.

Then there was the case of sporting goods. There it was shown, after discussion with the industry, that in that particular line—tennis balls and that sort of thing—a large export market, relatively, had been built up, a market which would virtually be lost if this tax was imposed on these products. In view of the United States customs regulation, which requires a tax of this kind to be included for the purpose of fixing customs duty rates, that would affect these exports, and we found on analysis, on balance, that there would be more United States dollars lost by imposing this tax and restricting domestic consumption, at the same time cutting off exports.

The other example was in connection with certain cases where it was found that the products included were manufactured almost entirely by small industries located in different parts of Canada. Among other things, that

applied to such items as pleasure boats, which were made by small builders in Nova Scotia and around the great lakes section of Ontario. There it was represented, and we were satisfied that the representations were sound, that the effect of imposing this tax would impose a great hardship on these small builders.

The same thing applied to the piano industry. There are seven or eight manufacturers of pianos in Canada and the import content is negligible. The materials are nearly all produced in Canada. The financial position of the piano manufacturers, while adequate, was not too strong. By that, I mean that the imposition of the tax, it was quite clear, would virtually eliminate for the time being their prospective sales and would again in these cases cause great hardship.

We came to the conclusion that on balance, weighing all the factors, taking them all into consideration, there would be no substantial saving of United States dollars either directly or indirectly and that on that sort of thing the tax should not be imposed.

There was one other general class. We decided to exclude from the operation of the tax electrical appliances and that sort of thing which were used in the processing of food and so on. That could be more properly handled under schedule III, and the tax would be imposed only where the articles were going into consumer use for household purposes.

There were other examples. In the general category of toilet articles, it was represented that on the cheaper hair brushes, combs and mirrors and small things the imposition of the 25 per cent tax created an impossible price situation. Again, the import content was negligible, and therefore these were eliminated from the list.

Speaking broadly, over the last couple of months I have received a great many delegations, and a great many individual representations have been made both to myself and to the officers of my department. All have been carefully considered, and where it was felt that we could appropriately remove articles from the list which was proposed, without seriously affecting the purpose which we had in view, we decided to do so.

That is as detailed a statement as I can give. Every one of these cases has been carefully considered by myself personally after all the facts have been gone into by the officers of the department. I am familiar with and could give to the committee the reasons for each individual change; but, broadly speaking, these were the principles that guided us in making the changes.

Mr. MACDONNELL (Muskoka-Ontario): Do I gather from the minister that the endeavour has been to remove those articles where there was a comparatively small United States content?

Mr. ABBOTT: That is one factor. The other factor has been where the continued imposition of the tax would cause exceptional hardship to the producer involved, beyond what we felt was commensurate with the benefit which we wanted to produce. The third factor, which is really related to the second, was where there were two or three or a small number of relatively small producers who would be seriously affected by a substantial drop in or a complete elimination of their production.

Progress reported.

BUSINESS OF THE HOUSE

Mr. BRACKEN: I presume we shall have the speech from the throne tomorrow.

Mr. ABBOTT: Yes. We shall proceed with the debate on the speech from the throne tomorrow.

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

HOUSE OF COMMONS

Wednesday, February 25, 1948

The house met at three o'clock.

PRIVILEGE

MR. MANROSS—ERROR IN ANNOUNCEMENT OF VOTE BY CANADIAN BROADCASTING CORPORATION

Mr. PARK MANROSS (London): Mr. Speaker, I rise to a question of privilege affecting not only myself but sixty-four members on this side of the house. The Canadian Broadcasting Corporation in its eight o'clock news broadcast this morning stated that Bill No. 3 yesterday had received approval of the House of Commons by a vote of 102 to 32. Actually the vote was 102 to 92 and, on the amendment, 104 to 96.

My point is that I trust the Canadian Broadcasting Corporation will rectify this error at once and make clear to the people of Canada the actual figures which show that, by these votes, the government had the closest shave in its history.

WAR SAVINGS CERTIFICATES

REPLY TO QUESTION AS TO CASHING AT LOCAL POST OFFICES

Hon. DOUGLAS ABBOTT (Minister of Finance): Mr. Speaker, I would like to make a statement in reply to certain questions which have been addressed to me concerning war savings certificates.

On February 19 last the hon. member for Lake Centre (Mr. Diefenbaker) asked me whether consideration had been given by the government, in the interests of convenience on the part of holders of war savings certificates, to the cashing of these certificates at local post offices.

I wish to assure the house that this is a question to which we have given serious consideration during the past year. As hon. gentlemen know, the terms under which these certificates were issued and which are printed on each certificate require that they be endorsed and forwarded to Ottawa for redemption. On several occasions we have considered whether we could not overlook this requirement and allow them to be cashed at local post offices or banks. On each occasion we have been forced to the conclusion that it would be impossible to justify such a procedure.

The primary reason for this decision is the very large number of duplicate certificates which are outstanding. During the last few years a very large number of certificates has been reported lost or stolen and in order to save a lot of trouble and expense to their owners who in so many cases are persons of small income who have not previously owned securities of any kind, we have followed the practice of duplicating the lost or stolen certificates without the production of a bond of indemnity. Hon. gentlemen may be aware that before a bond or coupon which has been reported lost or stolen may be replaced, the owner must arrange indemnification for the Bank of Canada and the government of Canada against any claim in respect of the items reported lost or stolen. This enables us to provide for the cashing of bonds or coupons at local banks.

The number of certificates reported lost or stolen is much too great (it is of the order of sixty thousand) to permit bank tellers or postmasters to check through a list before making settlement, nor could such a list possibly be kept up to date. Even the publication and distribution of such a list, which would run into the size of a book, would be of no use to safeguard against overpayments as it would be perfectly possible that identification would not prevent duplication of payment if the original certificate and the duplicate certificate were presented at different times or different places. The only way in which such overpayment can be prevented is to have the certificates sent to Ottawa and to have them checked against a central registry maintained at Ottawa before payment is made.

I have now explained the main reason why the suggested change in procedure cannot be made. I wish to go on and emphasize how simple and inexpensive the present procedure really is.

All that the holder of a war savings certificate needs to do to get payment for it at maturity is to endorse it on the back as required, insert it in an envelope addressed to the registrar, war savings certificates, Ottawa, and drop the envelope in a mail box. He does not need to send a covering letter, he does not need to send the certificate by registered mail, and he does not even have to put a postage stamp on the letter. If there has been a change of address, it can be noted

on the certificate. Cheques issued in redemption of certificates may be negotiated free of charge at any branch of any chartered bank in Canada upon satisfactory identification.

It is all as simple as that and I wish its simplicity were more widely realized. Perhaps we should have taken steps by advertising or otherwise to explain to the public generally how simple it was, and on this point I would welcome the views of the house.

For those holders who may feel it inconvenient to mail certificates to Ottawa, even though the letter does not require registration or a postage stamp, the banks have offered to provide a collection service for a modest charge. Any person may present his maturing certificates to a branch bank and for a charge of five cents a certificate, regardless of denomination, the bank will forward the certificate for collection and credit the proceeds to the account of the certificate owner. Of course, if the owner wishes safekeeping services as well, there is a standard scale of charges which has been in effect for some time.

A suggestion was made to me that the charge of five cents a certificate made by the banks should be assumed by the government. There are many certificate holders who have no banking accounts and some who are very remote from any bank. A great many holders will in any case prefer to send their certificates directly to Ottawa rather than take advantage of the service offered by the banks. It did not seem to me therefore that the government could justify making all the taxpayers of Canada, including those who perform the service for themselves, assume the cost of a service required by a portion of the public.

Another question about war savings certificates was asked by the hon. member for Peterborough West (Mr. Fraser) on February 17 last. It was as follows:

> Owing to the fact that it takes from two weeks to two months from the time a war savings certificate is handed in to a chartered bank for collection before the proceeds are forwarded to the bank from the Bank of Canada, will the minister check with officials of the Bank of Canada to see if the handling and clearance of these certificates can be speeded up so that the holders can get their money promptly without loss of interest?

I have checked with officials of the Bank of Canada and am advised that it is difficult to understand the statement made in the middle of February that it takes from two weeks to two months from the time a war savings certificate is handed in to a chartered bank for collection before the proceeds are forwarded to the bank from the Bank of Canada. When the banks began taking war savings certificates for collection and sending them in to Ottawa, there was some delay because it took time to get the necessary forms distributed to the head offices and branches of the banks throughout the country but there should no longer be any delay due to this factor.

I am advised that the Bank of Canada made a test examination of the time required to handle maturing certificates received from financial institutions during the current month and found that if the certificates received are all in order the redemption cheques are mailed not later than the fourth day after the certificates are received.

It sometimes happens that certificates are received in advance of their maturity date for redemption at maturity. In these circumstances it is the practice to return the certificates to the sender if there is time for them to reach him and be submitted again by the first of the month in which they mature. An explanatory note is returned with the certificates. If time does not permit of the above procedure, it is the practice to hold the certificates until the month in which they mature and mail a cheque in time to reach the sender or on about the appropriate redemption date, namely, the fifteenth of that month.

I may add that maturing certificates may, if desired, be forwarded by the individual holder as well as by a bank to reach Ottawa on or about the first day of the month in which they mature and the cheque itself will be mailed in time to reach the payee on or about the maturity date of the certificate.

Mr. FRASER: I would ask the minister to check again because I have specific cases where it has taken from two weeks to two months to receive payment of certificates that have been sent in.

Mr. BURTON: Is it the minister's considered opinion that it is wise to have these certificates sent unregistered with the sender having no receipt?

Mr. ABBOTT: It is perfectly proper to do it. As I indicated, we have issued thousands of duplicate certificates. If a certificate is sent by ordinary mail and is lost, on receipt of evidence that the certificate was issued we would issue a duplicate. As I say, that has been done in thousands of cases. The odd one may be lost in the mail, but if the holder wants to make sure he can spend ten cents for registration.

Mr. FRASER: The holder would just have to wait another couple of months to get his money.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

STUDENT VETERANS CONFERENCE, TORONTO—INVESTIGATION BY R.C.M.P.

Mr. STEWART (Winnipeg North):

1. Did any officer or agent of the R.C.M.P. investigate or question any students attending the veterans' conference held in Toronto, December 26 to 28, 1947?

2. If so (a) for what reason; (b) how many were investigated or examined; (c) what conclusions were arrived at?

Mr. ILSLEY:

1. No.

2. Answered by No. 1.

PUBLIC BUILDINGS—CHARLOTTETOWN

Mr. McLURE:

1. Has the federal government applied for the purchase of a block of land on Queen's square, Charlottetown, Prince Edward Island?

2. Was the application made to the provincial government or to the city council of Charlottetown?

3. Does the dominion government own the land where the Charlottetown post office is located, and what are the dimensions of same?

4. What steps are being taken by the government to build a dominion building in Charlottetown to house the federal offices located there?

Mr. FOURNIER (Hull):

1. No.

2. Answered by No. 1.

3. (a) Yes.

(b) The definite dimensions of the area acquired were never established. According to information on file the property is that upon which the building is located, plus additional yardage and driveway areas.

4. No steps are being taken pending decision as to a suitable site for the building.

STORAGE FACILITIES FOR P.E.I. POTATOES

Mr. McLURE:

1. Has any action been taken by the dominion government to build potato warehouses in Prince Edward Island?

2. If so, what are the specifications required for such warehouses?

3. Under what policy will these storage facilities be constructed and operated?

4. To whom will applications be made and at what points will they be located?

Mr. GARDINER:

1. Vote 714, further supplementary estimates, 1947-48, provides $100,000 for assistance in construction of potato warehouses under regulations to be approved by the governor-in-council.

2. The specifications are those approved in each instance by a committee, with dominion and provincial representation, set up under the regulations as approved by order in council P.C. 4638 of December 3, 1947.

3. The regulations provide for reimbursement to any province of one-half the share assumed by the province of the completed cost of potato storage warehouses to be erected by growers co-operative associations to previously approved specifications, provided that the undertaking by the province does not exceed seventy-five per cent of the completed cost of the warehouse.

4. Applications are made by growers' co-operatives to their provincial departments of agriculture; location of the warehouses will depend upon the applications made and approved.

JARVIS, ONT., BOMBING AND GUNNERY SCHOOL LANDS AND BUILDINGS

Mr. ROSS (Hamilton East):

1. Has the bombing and gunnery school at Jarvis, Ontario, been declared surplus?

2. If so, have any of the lands and buildings been disposed of?

3. What are the names of the purchasers and what amount was purchased by each of them?

4. What are the details of the lands and buildings remaining at this point?

Mr. McILRAITH:

1. Yes.

2. Yes.

3. (a) Building No. 49—officers' quarters: purchase price, $368; purchased by Norfolk agricultural society, Simcoe, Ontario. Sold for removal and restoration of site.

(b) Building No. 21—drill hall: purchase price, $5,000; purchased by W. F. Kolbe, Port Dover, Ontario. Sold for removal and restoration of site.

(c) Building No. 1—headquarters: purchase price, $1,100; purchased by department of education, Province of Ontario, Toronto, Ontario. Sold for removal and restoration of site.

(d) The following sold for removal and restoration of sites:

Building No.	
2—G.I.S.	$ 3,160.00
3—Officers' quarters	2,280.00
4—Officers' mess	1,600.00
5—N.C.O.'s quarters (40)	880.00
6—N.C.O.'s quarters	880.00
7—N.C.O.'s mess (80)	1,520.00
8—WD's quarters (156)	1,360.00
9—WD's mess (150)	880.00
10—Hospital (25)	4,000.00

Building No.	
11—Canteen, large	800.00
12—Canteen, small	640.00
13—O.R.'s mess	5,360.00
14—O.R.'s quarters	1,360.00
15—O.R.'s quarters	1,360.00
16—O.R.'s quarters	1,360.00
17—O.R.'s quarters	1,360.00
18—O.R.'s quarters	1,360.00
19—O.R.'s quarters	1,360.00
20—Recreation hall	1,240.00
22—Supply depot	1,400.00
23A—M.T. Section, repair	320.00
23B—M.T. Section, 4 Bay	160.00
23C—M.T. Section, 4 Bay	160.00
23D—M.T. section, 8 Bay	384.00
24—Workshop	520.00
25—A.M.L. bomb drop teach.	440.00
26—Turret and inst. bldg.	540.00
27—Spotlight trainer	1,120.00
28—Compass swing base	80.00
29—Watch office	720.00
30—Camera obscura	80.00
32—25 yard range	N/C
33—Dental clinic	440.00
34—Bomb storage	160.00
35—Bulk gas storage	960.00
36—Pyro stores	120.00
37—W. & B. maintenance	1,080.00
38—Service garage	300.00
41—Hostess house	464.00
43—O.R. quarters (136)	1,600.00
44—Fire hall	760.00
45—Incinerators	36.00
50—Detonator stores	80.00
51—Officers' quarters (24)	1,100.00
52—N.C.O.'s quarters (48)	1,480.00
53—O.R.'s quarters (304)	4,200.00
Miscellaneous small buildings and improvements (also includes buildings No. 40 coal storage and No. 47 oil and paint stores)	7,405.00
Hockey rink	32.00

Purchased by Housing Enterprises Limited, 395 Fleet street, Toronto, Ontario. Purchase price, total: $58,901.00.

(e) Site of the power sub-station: Purchase price, $100. Purchased by the Hydro-Electric Power Commission of Ontario.

4. Assets remaining: Hangars one to six inclusive, sewage disposal building, pump house, water tank, building 31—guard house and post office, skeet range, house and addition, barn and addition—Lot 11, house and addition and barn—Lot 10, flagstaff, water and sewer services and 598 acres of land.

[Mr. McIlraith.]

ADVERTISEMENT "ANSWERING YOUR QUESTIONS ABOUT IMPORT CONTROL"

Mr. FULTON:

1. In how many (a) daily papers; (b) weekly papers; (c) magazines, both English and French in each case, did the government's advertisement "Answering your Questions about Import Control" appear? In how many issues of each respectively?

2. What was the total cost of this propaganda?

3. Out of what vote or appropriation was it paid?

4. By what member of the government or what official of what department were the publication and payment, respectively, authorized?

Mr. BELZILE:

1. (a) Daily—90 English, 10 French, 6 Foreign language
   (b) Weekly—673 English, 94 French, 40 foreign language
   (c) Weekend newspapers—2 English, 8 French
   (d) Financial publications—10 English, 1 French
   (e) Farm publications—30 English, 4 French
   (f) Labour publications—23 English, 4 French

All the above publications were used once.

2. $43,225.00. As all accounts have not been received this is the estimated cost of disseminating this information.

3. Vote 498, wartime prices and trade board.

4. Hon. D. C. Abbott, Minister of Finance.

MOUNT HOPE, ONT., ELEMENTARY TRAINING SCHOOL LANDS AND BUILDINGS

Mr. ROSS (Hamilton East):

1. Have the buildings and other assets at the elementary training school, Mount Hope, Ontario, been declared surplus?

2. If so, have any of the lands and buildings been disposed of?

3. What are the names and addresses of those purchasing same and what amount was purchased by each of them?

4. What are the details of land and buildings remaining at this point?

Mr. McILRAITH:

1. Nine buildings only have been declared surplus.

2. Yes, eight buildings of the nine declared.

3. (a) Building A2—O.R. Mess, purchase price:—$3,808.44; Building A4—O.R. quarters, purchase price:—$4,180.78; Purchased by Housing Enterprises Ltd., 395 Fleet street west, Toronto, Ontario.

(Buildings sold for removal and restoration of sites).

(b) Building A25—flame float and sea-markers, Building A26—practice bomb stores with which was included one 1,000 gallon fuel oil tank; Purchase price for the whole:—$165.00, Purchased by S. Feldman & Son, 25 Kent street, St. Catharines, Ontario.

(Sold for removal and restoration of sites).

These structures sold by tender.

(c) Building A23—O.R. quarters, Building A30—detonator stores, Purchase price for the whole:—$4,340.00, Purchased by the city of Hamilton, Hamilton, Ontario.

(Sold for removal and restoration of sites).

(d) Building A37—O.R. quarters, Purchase price:—$2,547.17; Purchased by the McMaster University, Hamilton, Ontario.

(Sold for removal and restoration of site).

(e) Building A19—Large Canteen, Purchase price:—$1,360.00; Purchased by Housing Enterprises Ltd., 395 Fleet street west, Toronto, Ontario.

4. The ninth building declared surplus has not yet been sold. This building is known as A5—officers' mess (only that part of the building that includes the two northern wings with the connecting section, namely, one wing 30′ x 77′, one wing 30′ x 89′ and the connecting portion 31′ x 24′ have been declared surplus).

MERCHANTS BANK BUILDING REGINA—RENTAL OF SPACE

Mr. PROBE:

1. What area of floor space is leased by the Department of Public Works from the Bank of Montreal, known as the Merchants' Bank building, 2124 Scarth street, Regina?

2. What annual rental has been paid in each of the years that this building was leased by the Dominion of Canada?

3. What additional maintenance, insurance, repairs or other costs have been paid annually with respect to these premises?

Mr. FOURNIER (Hull):

1. Whole of ground floor having an area of 4,459 square feet, and 1,802 square feet of space on second floor.

2. Annual rental paid for ground floor: Nov. 1, 1941, to Oct. 31, 1942—$3,600; Nov. 1, 1942, to Oct. 31, 1943—$3,600; Nov. 1, 1943 to Oct. 31, 1944—3,600; Nov. 1, 1944 to Oct. 31, 1945—$5,400; Nov. 1, 1945 to Oct 31, 1946—$5,400; Nov. 1, 1946 to Oct. 31, 1947—$5,400; Nov. 1, 1947 to Jan. 31, 1948—$1,350.

Annual rental paid for space on second floor: Sept. 1, 1944 to Aug. 31, 1945—$1,800; Sept. 1, 1945 to Aug. 31, 1946—$1,800; Sept. 1, 1946 to Aug. 31, 1947—$1,800; Sept 1, 1947 to Jan. 31, 1948—$750.

3.

Fiscal Year	Improvements and Repairs	Salaries	Furniture and Fittings	Light
1941-42	$4,931 90	$ Nil	$ 904 47	$ Nil
1942-43	129 07	"	1,565 83	321 09
1943-44	254 87	826 62	678 39	332 69
1944-45	383 07	1,300 08	641 97	457 51
1945-46	176 00	1,245 49	2,137 32	588 97
1946-47	487 35	1,487 83	107 21	652 61
1947-48 (to Sept. 30)	Nil	769 02	67 77	229 19

The above expenditures are only available by fiscal years.

IMMIGRATION—SELECTION OFFICERS AT HEIDELBERG

Mr. ROSS (Hamilton East):

1. What are the names of the six selection officers from the Department of Labour stationed at Canadian Immigration Mission at Heidelberg, Germany?

2. Where did each reside previous to appointment?

3. What is the racial origin of each of them?

4. Were they appointed by the civil service commission or by order in council?

5. Were the positions advertised?

Mr. COTE (Verdun):

1. Mr. V. Cyril Phelan; Mr. C. R. Lee; Mr. J. Lucien St. Cyr; Miss Edith Amas; Miss Beatrice Sauriol, Mr. R. H. Davidson.

2. Ottawa, Ottawa, Montreal, Saskatoon, Toronto, Ottawa.

3. Irish, English, French, English, French, Scotch.

4. All were appointed by the civil service commission with the exception of Mr. Davidson whose re-assignment to this work by the commission is now pending.

5. Messrs. Phelan and Lee are permanent civil servants on loan to this activity from the Department of Labour and Mr. St. Cyr and Misses Amas and Sauriol are temporary civil servants on loan to this activity from the unemployment insurance commission. Mr. Davidson has been temporarily employed by the labour department on appointment

through the civil service commission for several years, first on mobilization work at Toronto, and later looking after prisoners of war placements, and at the time of his selection for this work he was on leave of absence pending cessation of previous employment.

ST. MAURICE RIVER WHARVES

Mr. HAMEL:

1. Is the government of Canada the owner of certain wharves or piers on the St. Maurice river between Shawinigan and Rapides Blancs?
2. Since 1935, has any work been carried out on the said wharves?
3. If so, what amounts have been spent for such construction or repairs, and to whom have the said amounts been paid?

Mr. FOURNIER (Hull):

1. Yes.
2. Yes.
3. Rivière aux Rats, wharf repairs, $12,661.20; St. Roch de Mekinac, wharf repairs, $2,207.41; Grandes Piles (St. Jacques), wharf repairs, $1,474.84; St. Jean des Piles, wharf repairs, $2,163.31; Grande Anse, wharf repairs, $942.58; Grand'Mere, wharf repairs, $1,460.19; Levesque, wharf repairs, $2,060.92. All of the above works were carried out by day labour.

ICE-BREAKERS

Mr. ISNOR:

1. How many ice-breaking ships are owned or controlled by the Department of Transport?
2. What are the names and cost of operation of these ships for years 1941, 1942, 1943, 1944 and 1945?
3. From what ports are these ships operated?
4. For what period were their services required during the years 1941, 1942, 1943, 1944 and 1945 in connection with breaking ice and clearing the St. Lawrence river, and what was the cost of each ship during said periods?
5. Were these ships required at any time during said periods for use in Halifax harbour? If so, what periods and what was the cost of operations?

Mr. CHEVRIER:

1. Eight lighthouse supply and buoy vessels, which are used part time for ice-breaking.

2. The expenditures for operational expenses were:

Vessel	Fiscal years ending March 31				
	1940-41	1941-42	1942-43	1943-44	1944-45
N.B. McLean	$ 92,272	$ 98,632	$142,082	$136,585	$178,424
Ernest Lapointe	....	102,796	73,500	93,616	93,331
Lady Grey	29,425	(nil being rebuilt)	57,562	55,857	56,848
Saurel	80,698	109,948	153,711	135,722	140,685
Citadelle	50,940	47,094	47,692	51,900	60,790
Brant	31,053	37,971	33,624	34,845	48,040
Dollard	80,661	93,613	95,719	114,227	144,047
Franklin	....	....	17,478	63,314	30,415

3. *N.B. McLean, Lady Grey* and *Ernest Lapointe,* Quebec. *Citadelle,* Halifax and Quebec. *Saurel,* Charlottetown and Halifax. *Brant,* Charlottetown, Halifax and Saint John. *Dollard* and *Franklin,* Saint John.

4. Separate costs for ice-breaking, clearing the river, transporting supplies, performing mercy trips, assisting ferry boats, standing by, etc., have not been maintained.

The *N.B. McLean, Ernest Lapointe, Lady Grey,* and *Saurel* were assigned for such purposes in the St. Lawrence River area from time to time during the following periods:

December 1, 1940 to April 13, 1941; December 1, 1941 to April 17, 1942; December 1, 1942 to April 29, 1943; December 1, 1943 to April 21, 1944; December 1, 1944 to April 1, 1945.

5. Yes, during the winter of 1943 the *Brant* and the *Franklin* spent about 100 hours breaking ice in Bedford Basin and Mill Cove.

[Mr. Cote (Verdun).]

PENITENTIARIES—NEW WESTMINSTER, B.C.

Mr. MacINNIS:

1. How many persons are employed on the staff of the penitentiary at New Westminster, British Columbia?
2. How many employees left the staff during the calendar year 1947?
3. How many were (a) dismissed; (b) resigned; (c) retired on superannuation?
4. Of those resigning, what was the reason given in each case?

Mr. ILSLEY:

1. 123.
2. 22.
3. (a) 1; (b) 18; (c) 3.
4. 13 resigned to accept positions with higher salary; 1 on account of ill-health; 1 on account of ill-health in family; 1 for personal reasons; 1 did not consider himself suited to penitentiary employment; 1 no reason given.

EMPLOYMENT, BY REGIONS

Mr. KNOWLES:

1. What is the total number of employed persons in Canada, by regions, as at the latest available date?

2. What were the corresponding figures as at the same date one year and two years ago?

Mr. COTE (Verdun):

1 and 2. The total number of employed persons in Canada, by regions, at the latest available date and at corresponding dates one and two years ago is as follows:

Region	Nov. 8, 1947	Nov. 9, 1946	Nov. 17, 1945
Maritimes	421,000	421,000	372,000
Quebec	1,353,000	1,322,000	1,236,000
Ontario	1,726,000	1,654,000	1,490,000
Prairies	937,000	944,000	888,000
Pacific	410,000	392,000	342,000
Canada	4,847,000	4,733,000	4,328,000

These figures are based on a sample labour force survey which is carried out by the dominion bureau of statistics every three months.

INCOME TAX—FARMERS—MANITOBA

Mr. MILLER:

1. What is the amount of income tax collected from the farmers of Manitoba in the years 1944, 1945 and 1946, and what were the costs of collection?

2. What is the amount of income tax collected from all sources in Manitoba in the same years, and what were the costs of collection?

Mr. WINTERS:

1. No information, as the taxation division does not maintain records of tax collections by occupational classifications.

2. Fiscal year	Gross collections	Cost of collection*	Percentage cost of collection
1943-44 ..	$64,149,085	$ 470,350	0·7
1944-45 ..	78,540,011	572,186	0·7
1945-46 ..	77,370,178	643,905	0·8

*Exclusive of any apportionment of head office cost to Manitoba.

CANADIAN NATIONAL RAILWAYS—FREIGHT CARS

Mr. ISNOR:

1. How many new freight cars were ordered by the Canadian National Railways during the year 1947?

2. What are the names and addresses of firms with whom orders were placed?

3. How many have to date been delivered by each firm?

Mr. CHEVRIER:

The Canadian National Railways advise as follows:

1. 5,700.

2. Canadian Car and Foundry Co. Ltd., Montreal, Que.; The Eastern Car Company Ltd., New Glasgow, N.S.; National Steel Car Corp. Ltd., Hamilton, Ont.

3. Canadian Car and Foundry Co., Ltd.—884 cars; The Eastern Car Company Limited—1,526 cars; National Steel Car Corp. Ltd.—355 cars.

UNEMPLOYMENT INSURANCE

Mr. DIEFENBAKER:

How many persons (a) male; (b) female, by provinces, are in receipt of payments under the Unemployment Insurance Act?

Mr. COTE (Verdun):

Province	Male	Female	Total
Prince Edward Island	1,078	213	1,291
Nova Scotia	9,200	1,265	10,465
New Brunswick	4,257	992	5,249
Quebec	32,605	7,565	40,170
Ontario	25,769	7,612	33,381
Manitoba	6,125	2,359	8,484
Saskatchewan	4,644	1,150	5,794
Alberta	4,816	1,172	5,988
British Columbia ...	15,259	4,717	19,976
Total	103,753	27,045	130,798

These figures are taken from the unemployment register for the last six working days of January, 1948.

QUESTION OF PENSION TO WIDOW OF CANON TURNER

Mr. CHURCH:

What action, if any, has been taken by the government for the payment of a pension to the widow of the late Canon John Turner, arctic missionary, who was fatally injured in the arctic last fall?

Mr. GLEN: The late Canon Turner was not an employee of the Department or of the Canadian government and consequently no action has been taken to pay his widow a pension.

SOLDIER SETTLEMENT—INDEBTEDNESS OF SETTLERS OF FIRST WORLD WAR

Mr. FAIR:

1. How many soldier settlers of great war I are still in debt to the Soldier Settlement Board?

2. What was the original amount of their indebtedness?

3. To December 31, 1947, what amount has been paid by way of (a) principal; (b) interest?

4. At December 31, 1947, what amount of (a) principal; (b) interest, did the above settlers still owe?

5. Figured on the basis of past performance, how long will it take the above settlers to pay off their indebtedness?
6. What is the average age of those settlers?
7. At December 31 last, how many of those in debt were over (a) 80 years; (b) 75 years; (c) 70 years; (d) 65 years; (e) 60 years?
8. How many have in their homes (a) electric light; (b) running water?
9. How many farms are fully equipped with a full line of power machinery?
10. How many require complete new outfits?

Mr. GREGG:

1. At December 31, 1947: 3,019.

2 and 3. To provide the information called for, an analysis of each account, averaging eight to ten ledger pages, would be required. Advances were made, not only at time of settlement or shortly thereafter, but also subsequently in the form of payment of taxes and insurance. An estimate that two years and twenty weeks would be required by a man working full time, to complete the analysis, is based on an actual trial of six men analysing two accounts.

4. (a) $3,172,250.36;
(b) $116,993.75.

5. During the past four completed fiscal years an average of 752 soldier settlers per year have repaid their loans in cash, and an average of 47 soldier settlers additional have repaid their loans by assignment under time sale.

6 and 7. To provide the information called for, an examination of each individual file would be required. A return made on March 24, 1947, gives a close answer to the questions now asked—correction being necessary only because of lapse of time and decreased number of soldier settlers who are still indebted to the director.

8, 9 and 10. Information not on record in the department.

*CONTROL OF SALE OF FLAXSEED

Mr. MENARY:

What steps have been taken by the government to control the sale of flaxseed in 1948-49?

Mr. HOWE: This question was asked on the orders of the day and the answer was that an announcement with respect to the handling and marketing arrangements for flax covering the crop year 1948-49 will be made at the earliest possible day.

EMBARGO ON EXPORT OF CATTLE TO U.S.

Mr. MENARY:

What action is being taken by the government to lift the embargo on the export of cattle to the United States of America?

[Mr. Fair.]

Mr. BELZILE: It is not the practice of the government to announce any changes in policy in giving answers to questions.

LEAFLET "CANADA'S HEALTH AND WELFARE"

Mr. ROSS (St. Paul's):

1. What was the date of the publication of the first issue of the leaflet "Canada's Health and Welfare"?
2. How many issues have been published since then to January, 1948?
3. How many copies were published in each issue?
4. What is the cost of the publication of each issue?

Mr. MARTIN:

1. October 1945.
2. 28.
3. Approximately 83,000. (58,000 English and 25,000 French).
4. The regular eight-page issues cost approximately $2,000 each. The sixteen-page special issues in two colours, which appear every second month, cost approximately $4,550 each.

HYDE PARK AGREEMENT—GENEVA TRADE AGREEMENTS

Mr. CHURCH:

1. Is the so-called Hyde Park semi secret wartime agreement made at Easter 1941 in an exchange of notes for the joint defence of Canada and the western hemisphere, and the United States, for the duration of the war only, still in force in its original form?
2. What economic extension of it has been made since by an exchange of notes, May, 1945, after V-E day, between the Minister of National Defence for Canada and the United States Ambassador to Canada, Ray Atherton, to widen and expand it for economic purposes into permanent peace terms, and is this widening and extension for a limited time only, or for ever?
3. Has the international trade charter sanctioned at Geneva and announced on November 17, 1947, validated this economic agreement of May, 1945, and its extension into peace for an unlimited time, and how?

Mr. HARRIS (Grey-Bruce):

1. The Hyde Park declaration of April 20, 1941, which is distinct from the Ogdensburg declaration of August 18, 1940, concerning the defence of the western hemisphere, is not still in force in its original form.

2. The exchange of notes of May, 1945, extended the spirit of the Hyde Park declaration to cover the mutual problems of the period of transition from war to peace. No terminal date was mentioned.

3. There is nothing in the declaration and the exchange of notes which required validation by the general agreement on tariffs and trade negotiated at Geneva.

INCOME TAX—WABOWDEN AND THICKET PORTAGE, MAN.

Mr. MOORE:

1. How many persons living in Wabowden and district paid income tax in the following years, 1942 to 1947, inclusive?
2. What was the total amount of the tax in each year?
3. How many persons living in Thicket Portage and district paid income tax in 1942 to 1947, inclusive?
4. What was the total amount of the tax in each year?

Mr. WINTERS:

1. No information, as the accounting records of the taxation division are not maintained in such a manner as to show, in respect of any fiscal year, either the number of taxpayers resident in small communities or the total amount of tax which they have paid.
2. Answered by No. 1.
3. Answered by No. 1.
4. Answered by No. 1.

UNITED NATIONS—PALESTINE COMMISSION

Mr. CHURCH:

1. Who are the five members, and of what countries, as announced by the UNO appointed as commission for the partition of Palestine?
2. What stand did Canada take on it?

Mr. HARRIS (Grey-Bruce):

1. The Commission on Palestine established in accordance with a General Assembly Resolution of November 29, 1947, consists of: Mr. Karel Lisicky (Czechoslovakia), Chairman; Mr. Raul Diez de Medina (Bolivia), Vice Chairman; Mr. Per Federspiel (Denmark); Mr. Eduardo Morgan (Panama); Senator Vicente J. Francisco (Philippines).

2. Canada supported the General Assembly Resolution of 29 November, 1947, which provided for the partition of Palestine with economic union.

EXPORT OF MALT AND MALTING BARLEY

Mr. WINKLER:

1. Were export licences issued to Canadian malt manufacturers in 1948 for the export of malt to the United States of America? If so, on what date and for what amount?
2. Was any export of malting barley to the United States of America permitted in 1948? If so, on what date and for what amount?

Mr. McILRAITH:

1. Yes, as follows: February 17, 1948—850,000 lbs; February 18, 1948—85,000 lbs; February 20, 1948—85,000 lbs; February 20, 1948—85,000 lbs; February 25, 1948—85,000 lbs.
2. No.

IMMIGRATION—CHINESE

Mr. CAMPBELL:

Are wives and families of Chinese Canadian citizens now being allowed entry into Canada and if not, when can they expect to be able to get entry permits?

Mr. GLEN: Yes. As applications are received, settlement arrangements are investigated. Applicants are then informed that they will be notified as soon as the immigration office has been reopened in Hong Kong in order that they may advise their family to come forward for examination. A superintendent of immigration will be proceeding to Hong Kong shortly and it is expected that his office will be in operation within two months.

IMPORTS FROM RUSSIA

Mr. DUBOIS:

1. During 1947, what kind of goods did Canada import from Russia?
2. What quantity in each case?
3. What was the money value in each case?

Mr. McILRAITH:

1, 2 and 3.

Imports to Canada from Russia during the calendar year 1947.

Item	Unit	Qty.	Value
Essential oil, n.o.p.	Lb.	5	$ 90
Fur skins, raccoon, undressed	No.	2,050	4,688
Fur skins, fox, undressed	No.	1,474	6,284
Fur skins, Persian lamb, undressed	No.	6,998	57,525
Fur skins, squirrel, undressed	No.	84,000	66,149
Fur skins undressed, n.o.p.	No.	8,430	11,173
Fur skins, dressed n.o.p.	$	—	412
Manufactures of fur, n.o.p.	$	—	5,780
Carpets, oriental	Sq. ft.	13,017	26,870
Bank notes, printed matter, n.o.p.	$	—	295
Books, printed, periodicals, n.o.p.	$	—	804
Books, foreign language	$	—	509
Phonograph records	$	—	416
Cameras and camera parts, n.o.p.	$	—	125

EXPORTS TO RUSSIA, 1947

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2. What quantity in each case?

3. What was the money value in each case?

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1, 2 and 3.

Exports from Canada to Russia during the calendar year 1947.

Item	Unit	Qty.	Value
Whiskey	Proof Gal.	13	$ 68
Gin	Proof Gal.	62	785
Haddock, canned	Cwt.	8,515	186,934
Herrings, sea canned	Cwt.	208,333	2,663,468
Sea fish, canned, n.o.p.	Cwt.	6,905	151,491
Boots, shoes, leather uppers, men's	Pair	30,128	45,590
Canned meats, n.o.p.	Lb.	3,935,961	702,731
Cotton fabrics, coated	Yd.	2,168	9,617
Books, bound or unbound	$	—	158
Gas engines and parts	No.	—	145
Cultivators	No.	5	1,079
Threshing machine separators	$	—	1,853
Farm implements, n.o.p.	$	—	1,354
Machinery and parts, n.o.p.	$	—	75,388
Autos, freight, new, over one ton	No.	16	32,600
Automobile parts	$	—	145
Scales and weighing beams	$	—	86
Electric motors and parts	No.	77	577,953
Switches and wiring devices	$	—	49,601
Electrical apparatus, n.o.p.	$	—	4,076
Glass and glassware, n.o.p.	$	—	2,280
Medicinal preparations	$	—	31,891
Enamels and lacquers	$	—	18
Soda and sodium compounds	Cwt.	311	6,132
Radium and salts	$	—	60,000
Drugs, dyes and chemicals, n.o.p.	$	—	1,526
Packages	$	—	180
Refrigerators and parts, electric	No.	2	1,140
Dental, surgical, hospital equipment	$	—	8,508
Scientific apparatus, n.o.p.	$	—	4,840
Settlers' effects	$	—	6,335
Donations and gifts parcels	$	—	238,384

HEALTH AND WELFARE—LABORATORY OF HYGIENE

Mr. KIRK:

What are the functions of the laboratory of hygiene in the Department of National Health and Welfare?

Mr. MARTIN:

1. To serve as the public health laboratory of the dominion government.

2. Under the Food and Drugs Act to be responsible for the safety and potency of all biological products coming under Schedule B, Part III. These biological products consist of preparations such as penicillin, streptomycin, serums, toxoids and bacterial vaccines. The laboratory of hygiene undertakes all bacteriological analyses of food as required under the Food and Drugs Act.

[Mr. McIlraith.]

UNITED NATIONS—GREEK FRONTIER COMMISSION—KOREA

Mr. CHURCH:

1. What countries or governments have been appointed by the united nations organization for the Greek frontier commission, and of how many members does this commission consist; and do the countries chosen agree to send armed forces, and how many guns and other military forces, to enforce the UNO authority?

2. How many, and by what government, are to be sent by the UNO to Korea, on a commission and will this commission have any authority or armed force to enforce it?

Mr. HARRIS (Grey-Bruce):

1. At the second session of the general assembly, at the conclusion of the debate on the subject of threats to the political independence of Greece, a special committee was

established consisting of representatives of Australia, Brazil, China, France, Mexico, the Netherlands, Pakistan, the United Kingdom and the United States of America with seats being held open for Poland and the U.S.S.R. The committee consists at the present time of nine members only, since Poland and the U.S.S.R. have refused to participate. The countries represented on the committee have not agreed to send armed forces to enforce the authority of the committee. The terms of reference of this committee state that it shall observe the compliance of Albania, Bulgaria, Yugoslavia and Greece with the recommendations of the general assembly; be available to assist the four governments in the implementation of the resolution of the general assembly; and report to the next regular session of the general assembly.

2. The united nations temporary commission on Korea consists of representatives of nine member states of the united nations. These states are: Australia, Canada, China, El Salvador, France, India, Philippines, Syria, the Ukrainian Soviet Socialist Republic. At the present time however the Ukrainian S.S.R. is not represented on the commission which accordingly is composed of only eight representatives. The commission was established in accordance with two resolutions of the general assembly of 14 November 1947 and is designed to facilitate and expedite a program for the attainment of the national independence of Korea and the withdrawal of occupation forces. Inasmuch as the functions of the commission are purely advisory it possesses no authority to regulate or administer the people or the occupying forces in Korea. It has no armed force at its disposal.

OPIUM AND NARCOTIC DRUG ACT—CONVICTIONS

Mr. FARQUHAR:

How many convictions were obtained during the judicial year ended September 30, 1947, under the provisions of the Opium and Narcotic Drug Act which is administered by the Department of National Health and Welfare?

Mr. MARTIN:

Province	Male	Female	Total
Nova Scotia	3	—	3
Quebec	18	4	22
Ontario	77	33	110
Manitoba	13	7	20
Saskatchewan	7	—	7
Alberta	5	4	9
British Columbia .	74	20	94
Total	197	68	265

QUESTIONS PASSED AS ORDERS FOR RETURNS

PRAIRIE FARM ASSISTANCE—AMOUNT COLLECTED AND COST OF COLLECTION

Mr. MILLER:

What amount was collected under the Prairie Farm Assistance Act, by provinces, and what was the cost of collecting same, in the years 1945, 1946 and 1947?

Mr. McILRAITH: Return tabled.

SUBSIDIES OR SUBVENTIONS TO INDUSTRY

Mr. McCUAIG:

1. Do any government departments pay subsidies or subventions, or make any other form of direct financial payment to industry? If so, what departments?
2. To what companies have such payments been made?
3. What were the total payments to each company in each year from 1940 to 1947 inclusive?

AIR TRAINING SCHOOLS—CHINESE PILOTS

Mr. BENTLEY:

1. Are there any air-training schools in Canada where Chinese pilots are being trained for the government of China? If so, how many are there, and where are they located?
2. Are Canadian newspaper reporters allowed to visit these schools and report on them?
3. Are Canadian citizens allowed to visit and observe these schools in operation?

Mr. GIBSON (Hamilton West): Return tabled.

IMPORTS OF RYE

Mr. ARGUE:

1. How many bushels of rye were imported into Canada from the United States for each month of 1946 and 1947?
2. What rate or rates of duty were paid during the above period?

EMPLOYEES IN PUBLIC SERVICE

Mr. FRASER:

1. How many men and women were employed in each department or agency of the government (1) in Ottawa; (2) outside of Ottawa, on December 31, 1946, showing (a) number of men in each department or agency; (b) number of women in each department or agency; (c) number under civil service; (d) temporary basis?
2. How many men or women were employed in each department or agency, of the government (1) in Ottawa; (2) outside of Ottawa, on December 31, 1947, showing (a) number of men in each department or agency; (b) number of women in each department or agency; (c) number under civil service; (d) temporary basis?

GRANTS TO PROVINCES FOR EDUCATIONAL PURPOSES

Mr. MOORE:

What grants are allotted by the government for educational purposes to the provincial governments, other than Manitoba?

IMPORTS OF FRUITS AND VEGETABLES

Mr. WHITE (Middlesex East):

1. What are the quantities of the various fruits and vegetables imported into Canada during the past five years, by years, as set forth in items 87 and 92 of schedule I, Bill No. 3?
2. What are the values of each of the above fruits and vegetables imported in each year?

Mr. McILRAITH: Return tabled.

MOTIONS FOR PAPERS

ROUYN-NORANDA MAIL CARRIER SERVICE

Mr. CAOUETTE:

For a copy of all correspondence exchanged between the post office department and any person or persons, during the past two years, regarding mail carrier delivery in the towns of Rouyn-Noranda.

PRICE CEILING ON POTATOES

Mr. HATFIELD:

For a copy of all correspondence, telegrams and other documents exchanged between the Minister of Finance and the Premier of Prince Edward Island, from November 15 to December 15, 1947, in regard to potatoes or a price ceiling on potatoes.

DISPATCH OF CANADIAN ARMED FORCES TO HONG KONG—EVIDENCE BEFORE DUFF COMMISSION

Mr. BRACKEN:

For a copy of the evidence taken before the Duff commission in connection with dispatching Canadian armed forces to Hong Kong.

Mr. CLAXTON: Mr. Speaker, as the Prime Minister announced in his statement yesterday, he has no objection to this motion being carried on the conditions set out in his statement.

Mr. BRACKEN: The Prime Minister in his statement yesterday indicated that it would be necessary to paraphrase certain of the cipher messages before these documents could be tabled. Can the Minister of National Defence give us some idea of how long that will take?

Mr. CLAXTON: It will take some considerable time. I have had a search made through the record since yesterday and I find there are over 300 exhibits and 2,300 pages of evidence. The evidence, as hon. members will understand, refers frequently to the exhibits. So far it has been found that more than 90 exhibits are service communications, that is, communications between one branch of the armed services of this country and another, or between the armed services of this country and the United Kingdom. Those will have to be examined from that point of view. It will take some considerable time, but it will be done with all possible dispatch.

[Mr. Moore.]

Mr. GRAYDON: In view of the fact that the Prime Minister very quickly seemed to adopt the suggestion made yesterday by the hon. member for Quebec South (Mr. Power) that the British government should be asked to review the position in connection with the Hong Kong evidence, might I ask the minister whether or not that request has already been directed to the British government, and if not does the government intend to do so?

Mr. CLAXTON: My understanding is that the communication has gone forward, but that is a question that would have to be answered by the Prime Minister himself.

Mr. COLDWELL: In view of the fact that the Prime Minister is entering into negotiations with the British government with respect to these documents, should not this motion stand until we know what reply the Prime Minister receives? It might make a difference to the vote of some members of the house on the matter. If the leader of the opposition would ask that the motion stand I think it would be much more satisfactory to await a reply from the British government.

Mr. BRACKEN: I have heard no objection expressed to the passage of this motion. The Minister of National Defence has just said that the documents would be tabled in the light of the statement made by the Prime Minister yesterday, and I think the house is disposed to accept the motion on that understanding.

Mr. CLAXTON: We have no objection to either course.

Mr. GRAYDON: If the motion passes I presume it is subject to the remarks of the Prime Minister and of the member for Quebec South?

Mr. CLAXTON: The remarks of the member for Quebec South were addressed to the Prime Minister, and the Prime Minister said that he would communicate with the British government. The house can rest assured that the Prime Minister will do that, if it has not already been done, and I understand it has been.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS—CORRESPONDENCE WITH MOORE-MCCORMACK LINES AS TO FREIGHT RATES

Mr. HAZEN:

For a copy of all correspondence, telegrams and other documents exchanged between F. J. Stock, traffic manager, foreign freight department, Canadian National Railways, or any other official of the Canadian National Rail-

ways and Moore-McCormack Lines Incorporated, during the year 1947, with respect to freight rates.

Mr. CHEVRIER: Mr. Speaker, there is an objection to this order passing. A practice has grown up in this house over the years by which the Canadian National Railways are not required to produce correspondence or telegrams of this nature. This is not a new practice. With reference to the letter to which the motion refers, because of certain statements that were made by my hon. friend I produced the letter in the course of a certain debate in this house, but if this motion were to pass and the request of the hon. member were granted he would be obtaining information that other members have not been able to get. I remember last year on one if not two occasions hon. members were refused information of this kind, I trust that because of the practice which has grown up the hon. gentleman will not press his motion.

Mr. HAZEN: On a question of privilege, Mr. Speaker, the Minister of Transport when he spoke in the house in the debate on the address on February 11 saw fit to quote from a letter from Moore-McCormack to an official of the Canadian National Railways. I had not asked him to produce that letter, but he saw fit to quote from it, and then he read it into the record. It seems to me, sir, that if a minister of the crown produces one letter in a series dealing with a particular matter between the same parties he should be obliged to produce all the letters, and I would ask for a ruling on that point.

Mr. CHEVRIER: I think I should explain to the house just how it happened that the letter was placed on the table. The hon. gentleman made certain affirmations that officers of the Canadian National Railways had discriminated against the port of Saint John. The letter was produced in order to show definitely that such was not the case, but that on the contrary the Canadian National Railways officials had done everything in their power to keep within the ports of Saint John and Halifax the business of the Moore-McCormack Lines. What my hon. friend seeks to do is, because that letter was produced in order to answer a charge made by him—

Mr. SPEAKER: Order. I am sorry to interrupt the minister but it is against the rules to have a debate on these motions. Is it the pleasure of the house to adopt the motion?

The house divided on the motion (Mr. Hazen) which was negatived on the following division:

YEAS

Messrs:

Adamson
Archibald
Argue
Aylesworth
Barrett
Bentley
Black (Cumberland)
Black (Yukon)
Blackmore
Blair
Boucher
Bowerman
Bradshaw
Brooks
Bryce
Burton
Campbell
Caouette
Cardiff
Case
Casselman
Castleden
Charlton
Church
Cockeram
Coldwell
Coyle
Daniel
Diefenbaker
Drope
Fair
Ferguson
Fleming
Fraser
Fulton
Gagnon
Gillis
Graydon
Green
Hackett
Hamel
Hansell
Harkness
Hazen
Henderson
Héon
Hlynka
Hodgson
Homuth
Jackman
Jaenicke
Johnston
Kidd
Knight
Knowles
Kuhl
Lennard
Lockhart
Low
McCuaig
McCullough (Assiniboia)
Macdonnell (Muskoka-Ontario)
McGregor
MacInnis
McKay
McLure
McMaster
MacNicol
Manross
Marshall
Matthews (Kootenay East)
Menary
Merritt
Moore
Murphy
Nicholson
Pearkes
Probe
Quelch
Raymond (Beauharnois-Laprairie)
Robinson (Bruce)
Ross (St. Paul's)
Ross (Souris)
Shaw
Skey
Stephenson
Stewart (Winnipeg North)
Stokes
Strum, Mrs.
Thatcher
Timmins
Townley-Smith
Tustin
Webb
White (Hastings-Peterborough)
Wright
Wylie
Zaplitny—98.

NAYS

Messrs:

Abbott
Baker
Belzile
Benidickson
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Blanchette
Boivin
Bonnier
Bourget
Bradette
Brown
Brunelle
Chevrier
Claxton
Cleaver
Cloutier
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cournoyer
Croll
Cruickshank
Dechene
Dickey
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Douglas
Dubois
Emmerson
Eudes

Fournier (Hull)	McIlraith
Fournier (Maisonneuve-Rosemont)	McIvor
Gardiner	MacKinnon
Gauthier (Nipissing)	MacLean
Gauthier (Portneuf)	MacNaught
Gibson (Comox-Alberni)	Maloney
Gibson (Hamilton West)	Marier
Gingues	Marquis
Gladstone	Martin
Golding	Matthews (Brandon)
Gour (Russell)	Michaud
Gourd (Chapleau)	Mitchell
Grant	Mullins
Gregg	Mutch
Hallé	Nixon
Harris (Grey-Bruce)	Parent
Hartt	Picard
Healy	Pinard
Howe	Pouliot
Ilsley	Raymond (Wright)
Jean	Reid
Jutras	Richard (Gloucester)
Kirk	Richard (Ottawa East)
LaCroix	Rinfret
Lafontaine	Robinson (Simcoe East)
Langlois	Sinclair
Lapalme	Sinnott
Lapointe	Smith (York North)
Laurendeau	Stuart (Charlotte)
Leger	Tremblay
Lesage	Tucker
Little	Viau
McCann	Warren
McCulloch (Pictou)	Weir
McDonald (Parry Sound)	Whitman
	Winkler
	Winters—103.

Mr. DORION: I was paired with the hon. member for Vaudreuil-Soulanges (Mr. Beaudoin). Had I voted I would have voted in favour of the motion.

Mr. HERRIDGE: I was paired with the hon. member for Algoma East (Mr. Farquhar), who is absent owing to illness. Had I voted I would have voted for the motion.

Mr. BRACKEN: Out of courtesy to the Prime Minister (Mr. Mackenzie King), in his absence, I did not vote. Had I voted I would have voted for the motion.

Mr. JAQUES: I was paired with the hon. member for Matapedia-Matane (Mr. Cote). Had I voted I would have voted for the motion.

Mr. GARIEPY: I was paired with the hon. member for Victoria-Carleton (Mr. Hatfield). Had I voted I would have voted against the motion.

(Translation):

Mr. LACOMBE: Mr. Speaker, I was paired with the hon. member for Terrebonne (Mr. Bertrand). Had I voted, I would have voted for the motion.

[Mr. Speaker.]

(Text):

BUREAU OF STATISTICS

CIRCULAR OF FEBRUARY 20—EARNINGS OF WAGE EARNERS EMPLOYED IN MANUFACTURING

On the orders of the day:

Mr. N. J. M. LOCKHART (Lincoln): Mr. Speaker, could I have an answer to my question which is recorded in *Hansard* of yesterday? It had to do with a bureau of statistics return. I just wanted to get information as to why the return was up to 1945 only and not to 1948.

Right Hon. C. D. HOWE (Minister of Trade and Commerce): I shall be glad to get the information.

PUBLIC WORKS

QUESTIONS WITH RESPECT TO CONSTRUCTION OF DREDGES, ETC.

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I wish to direct a question to the Minister of Public Works, of which I sent him notice. It arises out of a telegram from Saint John, New Brunswick, suggesting that there are eight hundred men unemployed in the dry docks. Has the minister's department been requested to place the order for the building of a public works dredge with the Saint John dry dock in order to alleviate the present unemployment situation?

Hon. ALPHONSE FOURNIER (Minister of Public Works): I thank the hon. member for sending me notice of this question. To answer the first part of the question; requests have been made that we go ahead with the construction of a new dredge to be used on the eastern coast. To the second part of the question I would answer that on January 28 we did ask for tenders for a new dredge. A few days later we received one bid for $363,000, containing an escalator clause as to labour and material. The estimate made in my department for the dredge was $259,200. My officials advise me that later on we should ask for new tenders, on account of the discrepancy between the only tender received and the estimate made by my own department.

Mr. REID: Mr. Speaker, I should like to ask a question of the Minister of Public Works, seeing that he is in such a receptive mood. Will he consider the building of a dredge for the Pacific coast, where he knows at the present time there are only two, and that they are fifty or more years old?

Mr. FOURNIER (Hull): The Department of Public Works is always ready to consider a fair request for any dredging. Last year we had a vote in the general estimates for dredging on the east coast, and an amount was allotted for these small dredges of three and a half cubic yards. I would remind the house that the hon. member for New Westminster is speaking of dredges which cost about $2,000,000. We will certainly consider the request.

Mr. WARREN: If it is true that the Minister of Public Works is in a receptive mood today, may I ask him a question?

Some hon. MEMBERS: No.

Mr. WARREN: Is the minister prepared to place again in his estimates an amount to take care of the building of a bridge across the Ottawa River by way of Morrison's island this year?

Mr. FERGUSON: I should like to ask a question of the Minister of Public Works—

Mr. WARREN: Mr. Speaker, with all due respect I would like to have an answer from the Minister of Public Works. If he is not in a position to answer today, perhaps he would do so at a later date.

Mr. FOURNIER (Hull): Mr. Speaker, a delegation from the northern part of the hon. member's riding came to my office to interview me with respect to the construction of a bridge across the Ottawa River beyond Morrison's island. I have instructed my engineers to look into the matter and give me an estimate. I will consider any estimate that would be reasonable. That estimate will be submitted to the government, and when a decision is reached the estimate will be tabled.

Mr. FERGUSON: Mr. Speaker, we do not want members of the government to eat up all the reserves. Will the minister double the harbour work at Collingwood and start at once the extension to the dock at Barrie, Ontario?

INCOME TAX

IRREGULARITIES IN SASKATOON OFFICE

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct a question to the Minister of National Revenue. Is he in a position to advise what the situation is with regard to the investigation that is now taking place in connection with the income tax office in Saskatoon? What suspensions have been made of staff, and whether it is the intention of his department to take proceedings either against officials or income taxpayers who made returns allegedly incorrectly?

Hon. J. J. McCANN (Minister of National Revenue): On October 30, Mr. Speaker, owing to certain staff irregularities in our income tax office at Saskatoon, five members of the staff were suspended. Since that time a complete investigation has been made of the irregularities, both by the officers of the Saskatoon division and by our inspector and our staff of the head office in Ottawa. Admission has been made in some cases, which has been confirmed by the investigation, that there were certain irregularities with reference to the filing of income tax returns of certain taxpayers in order to avoid penalties for late filing. The admission by one man who was an employee of the office was to the effect that these returns had been manipulated and that over one hundred returns in all were involved. As a result of the investigations orders in council have been passed whereby the five members so involved have been dismissed from the service.

Mr. R. R. KNIGHT (Saskatoon City): It would seem that I now have an opportunity to ask my question, after waiting a long time. The question I have to ask is supplementary to the one answered by the Minister of National Revenue. He said that five people at Saskatoon had been dismissed from positions in the income tax branch. I would ask him if those five were the only persons under suspicion and suspended on that account. If there were others have those now proved to be innocent been exonerated and reinstated in their positions?

Mr. McCANN: I have no knowledge at the present time of any other than the five to whom I have made reference.

VETERANS AFFAIRS

EXTRA ASSISTANCE TO SINGLE VETERANS AND SERVICE PENSIONERS

On the orders of the day:

Hon. MILTON F. GREGG (Minister of Veterans Affairs): Referring to the first part of the question asked the day before yesterday by the hon. member for Kingston City (Mr. Kidd), may I say that it has been arranged to increase the allowance of the dependent parent or parents of veteran students under university and vocational training by $10 per month as from January 1, 1948. Referring to the suplementary or second part of his question dealing with service pensioners, if he means a service pension accruing to

permanent force personnel for their long service, as distinct from disability, that part should be directed to the Minister of National Defence.

Mr. T. A. KIDD (Kingston City): Mr. Speaker, the Minister of Veterans Affairs (Mr. Gregg) has answered a question submitted on Monday with respect to single veterans attending university and who are supporting dependent widowed mothers. May I ask now a supplementary question of the Minister of National Defence, which is to be found at page 1489 of *Hansard* for February 23, as follows:

When will the minister make an announcement in reference to extra assistance or a cost-of-living bonus to the service pensioners as well?

Hon. BROOKE CLAXTON (Minister of National Defence): I am sorry, but I did not catch the question. Was it directed to the consideration of pensions for long service of members of the armed forces?

Mr. KIDD: Yes.

Mr. CLAXTON: Consideration has been given to that question, and the same answer should be given as was given by the Minister of Finance (Mr. Abbott), in a press release dated January 23, which was tabled in the house on January 26. For the same reason set out there, the government is not of the opinion that any increase should be given in such cases. The reason, very briefly, is this, that the pensioners in question contributed to their pension; the terms of contribution were well known, and it was an arrangement over a number of years. Those pensioners are in virtually the same position as superannuated civil servants. I should add that, so far as I know, the rates of pension are the highest of any country in the world.

POSTAL SERVICE

INQUIRY WITH RESPECT TO MAIL DISTRIBUTION OF NEWSPAPER "LE COMBAT"

On the orders of the day:

Mr. FREDERIC DORION (Charlevoix-Saguenay): I should like to direct a question to the Postmaster General. Will the minister tell the house what measures he intends to take to prevent the distribution by mail of the communist newspaper *Le Combat*, which was outlawed by legal authorities in the province of Quebec?

Hon. ERNEST BERTRAND (Postmaster General): I have not seen in the press or anywhere else that *Le Combat* had been found guilty by the courts or that it had been indicted. Therefore I cannot, on account of the offices of this newspaper having been padlocked, order the banning of a newspaper from the post office. We shall have to find something else.

HOUSE OF COMMONS

REPRINTS OF MEMBERS' SPEECHES—CIRCULAR ISSUED BY KING'S PRINTER

On the orders of the day:

Hon. COLIN GIBSON (Secretary of State): On February 10 the hon. member for Winnipeg North Centre (Mr. Knowles) asked that either His Honour the Speaker or I look into the recent circular issued by the king's printer with reference to reprints from *Hansard*.

The hon. member referred to the second report of the joint committee on printing to be found at page 887 of Journals, dated July 14, 1947, and objected that, as concurrence in the report had not been moved, it was a breach of the rights and privileges of hon. members that the recommendations contained in the report should have been put into effect.

Since that time I have received a letter from the hon. member respecting *Hansard* reprints, emphasizing that he is quite prepared to accept changes in the regulations that are made and approved by the House of Commons and requesting that the previous regulations be continued until such time as any changes are approved by the House of Commons.

I should like to point out that while the joint committee on printing has authority to decide what papers and reports shall be printed, all matters concerning the contents and distribution of *Hansard* come under the jurisdiction of the committee on debates. Parliament has left it to the king's printer, under the provisions of the Printing and Stationery Act, to set such charges as he deems necessary to meet the cost of printing members' orders for reprints of speeches contained in *Hansard*.

Recently there has grown up a practice for which there has been no authorization or regulation. Some members of various parties have ordered the printing of pamphlets purporting to be reprints of speeches as contained in *Hansard*, but which have been considerably altered, through deletions or amendments, from the original text. In many cases subheadings have been inserted, passages have been underlined and in some cases the cover has been adorned with the portrait of the member making the speech. The printing of pamphlets containing such additions does not come within the scope of the duties of the king's printer.

As hon. members may well understand, a reprint from *Hansard* does not involve much expenditure of time or money; but the printing of speeches which have been distorted from the original text involves the resetting of type, with consequent loss of time and additional expense, at a time when the staff of the printing bureau is working at high pressure to produce not only *Hansard* but reports of various committees.

Under the circumstances I instructed the king's printer to accept orders for copies of speeches as contained in *Hansard* only, and to charge therefor the actual cost of printing.

Mr. KNOWLES: May I, Mr. Speaker, as the one who raised this question of privilege, just say a word?

Some hon. MEMBERS: No.

Mr. SPEAKER: The hon. member knows he may put questions, but when he puts a question he may not make a statement.

Mr. KNOWLES: May I ask the Secretary of State a question? Will he himself, or will he have some member of the government, arrange for a meeting of the debates committee, so that this matter can be gone into and a decision reached on behalf of the House of Commons as a whole?

Mr. COLDWELL: May I ask a supplementary question of the Secretary of State? I agree with what he said, that there should be no deletions or alterations in the *Hansard* report; but may I suggest that it would be well to call a meeting of the debates committee. I think that would be a much more satisfactory way of reviewing the matter. I have forgotten who the chairman of the committee is, but perhaps the minister would use his good offices to get the chairman to call the committee together.

Mr. GIBSON (Hamilton West): I think any member of the committee on debates can call a meeting.

Mr. COLDWELL: We have been informed that the only way a private member can get the committee together is by putting a motion on the order paper. Such a motion would go to the foot of the list, and therefore would be quite ineffectual in meeting the situation.

Mr. GRAYDON: In theory what the minister says about calling the committee together is quite correct. In practice it is anything but correct. Actually the government has to give the green light for committees to be set up. I think it is a simple matter for the minister to do it.

Mr. SPEAKER: Order. I would call the attention of hon. members to the fact that the committees have not been appointed.

Mr. KNOWLES: Yes, they have been.

[*Later*:]

Mr. SPEAKER: I wish to apologize to the house. For the first time, I believe, I have made a misstatement.

Some hon. MEMBERS: Hear, hear.

Mr. SPEAKER: I said to the house that committees had not yet been appointed. As hon. members know, it is the practice to appoint committees after the vote on the address in reply. This year, however, the appointment was made before that time. Therefore I must make that correction; and I must add that I am grateful that no one registered an appeal from my statement.

REFRIGERATOR CARS

REQUIREMENTS FOR SHIPMENT OF POTATOES AND TURNIPS FROM P.E.I.

On the orders of the day:

Hon. LIONEL CHEVRIER (Minister of Transport): Mr. Speaker, yesterday, and for several days before, some concern was expressed in the house with respect to the shortage of refrigerator cars in the maritime provinces, particularly in Prince Edward Island. The hon. member for Queens (Mr. McLure) asked a question, as did also the senior member for Halifax (Mr. Isnor). The hon. member for Prince (Mr. MacNaught) has written me a letter, and I have replied to him outlining the situation. I would have no objection to tabling the letter.

Some hon. MEMBERS: Oh, oh.

Mr. CASSELMAN: Don't establish a precedent.

Mr. CHEVRIER: I believe I could answer the questions which have been asked if I were to read one paragraph from this letter, which brings up to date the position with respect to refrigerator cars. The letter states:

> During the period February 10 to 22 inclusive there was an average of twenty-two cars of potatoes shipped from Prince Edward Island and there were forty-five empty refrigerator cars ready for placing. It is pointed out, however, that during this past season up to February 22, there were 4,673 cars of potatoes shipped from Prince Edward Island and for the previous season up to February 22, the total figure was 4,709 cars, and when it is considered that the estimated crop for this past season is 8,000 cars, whereas it was 10,000 cars the previous year, it would appear that the potato shippers have received fair treatment this year

as it is estimated that they have only about 3,500 more cars to ship, whereas last year they had 5,500 cars to ship.

The present situation is that there are 250 refrigerator cars now at Atlantic ports waiting for steamer to clear, and as soon as these are made empty they will be forwarded to Prince Edward Island for loading, which should grant considerable relief, and as meat has started to move on a large scale, a continued supply of refrigerator cars should be available.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Thursday, February 19, consideration of the motion of Mr. J. A. Dion for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Bracken, and the amendment to the amendment of Mr. Coldwell.

Mr. J. S. SINNOTT (Springfield): Mr. Speaker, I notice that it is fifteen minutes after four, and only now have we been able to get going; I hope therefore you will give me a few minutes.

In the short time which was at my disposal before eleven o'clock on Thursday last I mentioned that all the hydro-electric developments supplying power to Manitoba were located in the constituency of Springfield. The Winnipeg river, which originates at the Lake of the Woods, Ontario, and flows into lake Winnipeg, has thirty-three falls, of which only three are partly developed at the present time. Therefore Manitoba has an abundance of power to be developed in the years to come. There will be no need of shutting off power and causing inconvenience to customers. The manufacturer who wants an abundance of cheap and reliable electric power should come to Manitoba where there is a steady flow of electricity which does not blink as it does in some of the cities down here.

I always feel at home in this building, and I have good reasons. When you look around the walls and the halls of this building what do you see? You see some of the finest building stone to be found in Canada. The stone making up the pillars and the inside walls comes from the constituency of Springfield. It is known as Tyndall stone, and it is obtained from the Garson quarries. These were founded by the father of the present Premier of Manitoba, who did not live to see his son achieve the high honour he now has. These walls, so well constructed, are a monument to Manitoba; they are a monument to the constituency of Springfield which I have the honour to represent. I might mention that the Bank of Canada building is also constructed of Tyndall stone. This quarry consists of fifty feet of solid rock with very little topsoil to be removed. The deposit is found over approximately two sections or 1,280 acres of land.

I should like to refer also to dairying. If Canada generally had the energetic types of citizen that we have in Springfield, there would be no calls at the present time for oleomargarine. In my constituency are 108 large milk shippers who, along with many hundreds of others, ship cream to the various dairies in Winnipeg and Beausejour. I want to pay a compliment to the Beausejour creamery which operates in the town of Beausejour for its success in having obtained second place in a dominion-wide butter competition. We have some of the best dairymen, bar none, in Canada. We will not stand idly by if a challenge should come from that great nation to the south.

I have mentioned the energetic type of citizen to be found in the constituency of Springfield. There are Anglo-Saxons of course, but there is a large section of French, Ukrainians, Germans, Polish, Finnish, Swedish and many others. It is one of the most cosmopolitan rural constituencies in Canada. There is no minority problem in Springfield. It does not matter where your ancestors came from so long as you can produce the goods. Not only are the citizens of Springfield able; they are also outstanding in appearance. Just take one look at me and you will know that. Looks and health always go hand in hand.

I notice by the *Financial Post* that the leader of the opposition (Mr. Bracken) has agreed to act as a judge in a nation-wide baby contest. I hereby invite the leader of the opposition to come to the agricultural fair to be held this fall at Beausejour where the babies are bound to be healthy and beautiful. If that is not sufficient inducement to the hon. gentleman, we will not draw the line when it comes to the age of the babies.

In addition to abundant hydro electricity in Manitoba we have an unlimited supply of the best water in the world which originates in the constituency of Springfield east of Winnipeg. By way of diversification, we also have a number of lumber mills and a large paper mill at Pine Falls. At the present time this mill employs about 2,000 men, some of them operating the mill while others are cutting and delivering pulpwood to the mill. At this point I would remind the Postmaster General (Mr. Bertrand) that I have asked him continually for a new post office at Pine Falls. I am sorry he is not in his seat at the moment. At the present time the people of this thriving community have to wait hours for their mail

to be sorted because of the congested quarters in which the post office operates. It is housed in a little building twelve by sixteen, making it most inconvenient for the people of Pine Falls and almost impossible for the postmaster and his assistants, who have to handle as many as thirty-three bags of mail in a day.

I am again asking the Postmaster General to realize that it is his responsibility to have this post office built at as early a date as possible, and that Tyndall stone be used. We have plenty of stone, plenty of men available to quarry it and plenty of stone-masons to construct the building—all in Springfield. At the present time the revenue from the post office is within a few dollars of $10,000 per year and I would urge again that the Postmaster General and his department proceed with this work at the earliest possible moment.

As I mentioned before, we have mines which are just in their infancy. We also have some well established gold mines at Wadhope and Bissett. Bissett is one of the larger mines employing many hundreds at the present time in the northeastern part of the constituency. I would like to take this opportunity to thank the Minister of Finance (Mr. Abbott) for the assistance recently offered by the government to new producers.

We have also a large clay brick industry in the town of Whitemouth.

The eastern end of my constituency, where there are many hundreds of lakes teeming with fish, is a boon to the tourist industry, and is a great drawing card to the many thousands of tourists who come to Canada every year. But at the present time our visiting neighbours to the south experience much difficulty because of the roundabout road which they have to travel. I am asking the Minister of Mines and Resources (Mr. Glen) to develop tourist roads for the tourist trade, and that considerable thought be given to the development of the vast territory in northeastern Springfield. A tremendous tourist trade can be developed there, and I would advocate the contribution by the dominion government of an all-weather road from a point on No. 1 highway at Whitemouth, Manitoba, directly south through the towns of Elma, Medika, Hadashville, and through the Sandy Lands forest connecting at a point on the United States boundary called Piney, where there is an all-weather road. This would enable the people of Minnesota to have a direct route to Canada and at the same time would provide the people of this part of the constituency with a road which they have been wanting and awaiting for so long. I have also brought this matter up from time to time with the minister of public works in Manitoba.

In the southwestern portion of Springfield constituency many farmers have contributed their efforts to the new beet growing industry which is playing a large part in solving our sugar difficulties. I hope that the government will deal fairly with these beet growers, who have had a relatively hard time in past years owing to insect ravages and a continual shortage of help.

Along the Red River are some of the finest market gardens in Canada. In the spring and summer one can see these hardy gardeners out in the fields as early as four o'clock in the morning and until long after dark at night. They originate mostly from the central Ukraine in Europe. They make excellent gardeners, not being concerned in the least about a forty-hour week.

The hon. member for Fraser Valley (Mr. Cruickshank) made a remark the other day about growing vegetables in British Columbia. While they may be able to grow good vegetables there, they have nothing on us in the constituency of Springfield.

We have another industry of which there are relatively few in Canada, and that is the big moss plant located four miles west of Whitemouth. This particular moss deposit is approximately sixteen feet in depth and covers about four sections of land. The plant employs many men on a year-round basis, the moss being put to many uses, such as insulation, litter for chickens, and many other things. The type of machinery used in this plant is quite odd. As the ground is so soft it is necessary to operate different machinery from the ordinary. A small type caterpillar is used, with very large crawler tracks which enables it to travel over the soft ground marking the blocks, which are later thrown out by hand and left in large piles for a number of weeks to dry. They are then taken to the drier plant, afterwards going through a shredder, thence to the baler, and loaded into cars, approximately 360 bales to a car. A large portion of this moss goes to Louisiana in the United States. At the present time this peat moss is too expensive for use as fuel.

The total commercial marketings of grain for crop district No. 4 which I represent were: wheat, in the year 1944, 1,268,342 bushels; oats, in the year 1946, 1,776,563 bushels; barley, in the year 1946, 1,563,512 bushels. These figures are of local marketings to elevators. There was also about a million bushels delivered direct to Winnipeg by truck. There were also marketed 8,352 cattle, 4,186 calves, and 332,761 hogs, all in the year 1946.

I wish at this time to express my sincere thanks to the government and to the Minister

of Trade and Commerce, (Mr. Howe) for bringing down a bill to amend the Canadian Wheat Board Act, as I advocated on page 293 of *Hansard* of December 15, and extending the act to cover oats and barley.

I have listened attentively, Mr. Speaker, from time to time to the hon. member for Muskoka-Ontario (Mr. Macdonnell) who I always thought was very conscientious in his thinking. I am sorry he is not in the house at the moment for I never like to tackle a man when he is not here. But his statement in *Hansard* of February 18 and 19 in which he advocated higher interest rates, does not seem to be the general consensus of opinion. I always thought that the hon. gentleman, in his pleading for the poor man was conscientious in his views, but it is easy to see just whom he represents in advocating higher rates of interest.

Does the hon. gentleman say that the policy of the industrial bank was wrong?

Does he say that the loans to corporations and individuals amounting to $13,000,000 was wrong at low rates of interest?

Does he think that the moneys lent to the provincial governments, cities, towns, and school districts, amounting to $78,000,000 was wrong at low interest rates?

Would he say that the $104·9 million lent by the chartered banks for stocks and debentures was not high enough? Would the hon. gentleman say that the current commercial loans of $1,921 million are not drawing enough interest? Would he say that the loans made to thousands of returned veterans to establish their homes or start in business was wrong?

Would he say that the $31,500,000 lent to farmers under the Farm Improvement Loans Act was wrong because it was issued at a low rate of interest?

It is wrong, in my opinion, Mr. Speaker, for anyone to advocate high rates of interest when he will not take the risk and responsibility of investing his money himself. One never forgets the days of 1930-35—I do not—when interest rates were high and commodity prices were low. People who had borrowed money at high rates of interest were expected to pay their full pound of flesh regardless of whether the commodities they were producing were sufficiently priced or not, and this led many to bankruptcies and foreclosures.

I claim, Mr. Speaker, that high interest is the cancer of civilization, and until a remedy is found to take its place the strong and the wealthy are always bound to swallow the weak.

I maintain that the policy of the government has been sound in regard to giving to the several thousands of veterans who have returned an opportunity to establish themselves. If any other policy had been followed, it certainly would not have been to the benefit of the men and women who served in the armed forces and risked life and limb in order to save democracy.

Mr. McMASTER: I should like to ask the last speaker a question.

Some hon. MEMBERS: Too late.

Mr. McMASTER: Who made that statement?

The ACTING SPEAKER (Mr. Golding): Order. Unless the hon. member who had the floor consents to answer the question the hon. member cannot ask it.

An hon. MEMBER: Write to him.

Mr. ROSS (Souris): He might not understand it.

Mr. McMASTER: I should like to know if the last speaker knows to whom the industrial bank makes its loans and what interest it charges.

Some hon. MEMBERS: Louder.

Mr. G. K. FRASER (Peterborough West): Mr. Speaker, I shall give the hon. member for Springfield (Mr. Sinnott) an opportunity to answer the question if he wishes to or can do so. The hon. member did a lot of boasting about his riding. I wish to say here and now that it is not necessary for me to boast about the riding that I have the honour and privilege to represent, because the thousands and thousands of United States tourists who visit the Peterborough riding and district each year do the boasting for Peterborough. They have been coming back year after year for over sixty years.

An hon. MEMBER: You must have a good administration.

Mr. FRASER: We have an excellent administration in Peterborough; the hon. member is absolutely right, and I am glad he agrees with me.

I agree with the hon. member for Springfield in one thing. When he started his speech on Thursday night, I believe it was, he spoke about a Trans-Canada highway and said he believed that one should be built. That subject has been brought up by other hon. members. Every hon. member should press upon this government the necessity of making plans at once for a Trans-Canada highway from Halifax to Vancouver. This country is losing millions of dollars each year owing to the fact that we have not a

Trans-Canada highway. If a person wishes to drive from Halifax to Vancouver on hard surfaced, all-weather highways he must travel part of the way through the United States.

Mr. GIBSON (Comox-Alberni): We cannot get enough money to come down here, either.

Mr. FRASER: The hon. member is perfectly right.

An hon. MEMBER: For once.

Mr. FRASER: He is right a number of times, but when it comes to a vote, instead of being independent, he votes with the Liberal party.

Mr. KNOWLES: Especially if the government is in danger.

Mr. FRASER: That is right.

An hon. MEMBER: He has to choose.

Mr. FRASER: A trans-Canada highway is a necessity; it is a "has to be", and the Minister of Mines and Resources (Mr. Glen), under whose department it would come, in co-operation with the different provinces, should immediately get plans prepared for a highway from coast to coast. Let us have a highway of which we shall be proud.

Mr. HARTT: Will they co-operate?

Mr. FRASER: Yes, all the provinces will co-operate. The provinces want a fair deal, and the provinces of Quebec and Ontario demand a fair deal. Eventually they will get it.

Mr. HARTT: Give it to us in writing.

Mr. ROSS (Souris): Who are you?

Mr. FRASER: That is the trouble. The Prime Minister will not give them anything in writing.

Mr. GRANT: Why didn't the Tories build one when they were in?

Mr. FRASER: A highway such as I have suggested should have picnic tables and parking camps spaced every twenty-five or fifty miles along it for the tourists. That is one thing we lack in this country.

Mr. HARTT: Free coffee.

Mr. FRASER: In Ontario we are getting these things very fast, but we do not have them in other parts of Canada. The United States tourists who come over here miss the picnic tables and parking places along the highways and always mention that when they talk to you about their trips to Canada. Along the highway we should have also proper eating places and hotels. They should be under the supervision of a commission or board. In Ontario all the tourist hotels, resorts, cabins and so on are inspected each year, and sometimes many times a year. If they do not live up to specifications they must close; they are ordered closed by the health authorities.

I should like to say a word about veterans who are buying and have bought houses under the government plan. This is very important, Mr. Speaker. They are now asking that they be given some kind of protection in case they take sick or there is sickness in the family, or that work does not continue or that wages go down, or that we might get a "bust", as the hon. member for Muskoka-Ontario (Mr. Macdonnell) mentioned the other day. We can never tell how times will be, and these veterans want to be protected. I shall read a little excerpt from the Peterborough *Examiner* of February 16, regarding this question. Perhaps it lays it out a little clearer than I can do it. It reads as follows:

Want Protection

That some form of protection be given to veterans, buying or building under today's high cost that any reasonable equity they may have will not be taken from them unjustly. In the case of sickness, lower wages or work stoppage they should have their equity in the home applied as rent for a period of time equal to half their equity and not lose possession of all they have tried so hard to achieve.

The report showed that the total number of applications for homes, by returned veterans in the Canadian Legion was 585 (that is in Peterborough), and of this number 124 wished to buy and 461 to rent. The average value placed on a home by those who wished to buy was $4,000, while the average rent that the veteran felt was fair was between $30 and $35 per month.

I might say that in Peterborough at the present time plans are under way for the building of 200 houses under the Central Housing and Mortgage Corporation. Hon. members can rest assured, Mr. Speaker, that these houses will be well built. They will not be shot up as the houses were in the Sarnia district, houses that were unfit for man or beast, let alone a veteran. These veterans protected us during the war years. It is up to us to protect their interests now. I do hope that the Minister of Reconstruction and Supply and the Minister of Veterans Affairs will consider the veterans' plea that their interests be looked after and that they be protected.

I am sorry that the Minister of National Revenue (Mr. McCann) is not in his seat because I have something to say about one of his departments. When I spoke on the budget address last year I called the national film board a white elephant. It was only a few days after that I received many let-

ters condemning me for saying a word against the film board. I had members of the film board or of their staff, employees, come to me and ask me to keep my mouth shut about the film board unless I had something good to say. One of their employees who travels around the country, who is paid over $2,000 a year and who gets travelling expenses of nearly $3,000 a year criticized me. He sat in on one of the local film boards, and that local outfit wrote me a letter giving me Sam Hill because I had spoken against the film board. The secretary of my own home film board in Peterborough wrote me a letter. I believe it originated with a man, who was employed by the film board, and it condemned me for what I had said. For every letter of this kind I have received twenty letters condemning the board. At that time I said that the film board was doing some good in an educational way and perhaps in advertising Canada, but that it was extravagant, that the books of the board should be examined, that they should have a thorough investigation from top to bottom that all non-essentials should be thrown out and the other part jacked up.

We are starting a new session now and I feel it is right for me at this time to say that I was entirely wrong when I called the film board a white elephant. I did not know last year the facts I know now. I did not know that this film board started off in 1939 with a modest $80,000 and that it has now grown and is eating up almost $3,000,000 a year. Last year I should have called it, not a white elephant but a herd of white elephants, because that is what it is, and the the sooner that outfit is cleaned up and checked on the better it will be for the whole country.

The Minister of National Revenue is supposed to be guiding the national film board, and when I call the national film board a herd of white elephants I can picture him sitting on the lead white elephant's head like a mahout, with one of those sticks with a prong on it but not using it, or perhaps using it from the wrong direction. The sooner direction is given the film board the better off we shall be.

Everyone in Canada, Mr. Speaker, I do not care who he is, is saying today, "We want lower taxes; we must have lower taxes in view of the high cost of living". But we cannot have lower taxes when extravagances are going on in the departments of government. I am bringing up this matter now before the budget comes down so that the ministers of the crown will have an opportunity to check this outfit and clean out some of the unnecessary stuff. I will come to some of it in a few minutes.

In 1947, $1,442,656.95 was paid to the national film board employees in salaries, according to this return. We have here the annual report of the national film board, financial summary, and what do we find in this summary? There are only two spots in it where salaries are mentioned. In one place it says, salaries, $319,426 and some odd cents, and under production of films there is another spot where it says, technical department, salaries, $62,135. There are other things besides salaries that are eating up all this money, and this annual report put out in book form must have been brought out by a very clever bookkeeper or accountant because it does not give the picture as it is.

An hon. MEMBER: Clever.

Mr. FRASER: It is. It is very cleverly done. We have, besides this figure of $1,442,656 in salaries, $57,825.06 paid in salaries to employees of the film board employed outside Canada. Most of this money is paid in United States funds. The Minister of Finance brings in a bill to save United States funds while one department of government is handing out those funds like water.

That is only one part of it, that $57,825 paid out in salaries outside Canada. That gives us a total of $1,500,481 paid out in salaries over a million and a half. But on the financial sheet which they print and send out here, there and the next place, they show only $381,561. In the grand total of expenditures in this financial report they show that they spent last year $2,290,148, and when you take from that salaries alone amounting to a million and a half you have left $789,720 for production of films and so on, which shows that the salaries are eating up a great part of that money.

The film board also had a long mailing list of publications such as this piece of—I was going to say tripe, but I do not think that is parliamentary, so I will not say that. I always like to be parliamentary. I will read a part of one little sheet that the film board sent out. They must have a printing bureau or a staff just to do this work. This is in regard to the making of a film on weekly newspapers:

> From the national film board Ottawa
> Cat, dead fish heckle director.

This is the kind of stuff they send out, and we, the foolish taxpayers, pay for it.

Two other characters, innocently but definitely in the nuisance class, were fish--dead

fish! Because of the time of year and various other circumstances, the waters in the Vernon area refused to produce fish of the type required in the script, so the NFB people had to import them, frozen, from Vancouver. The shot was set up, with the fisherman just back from a trip ready to display his prizes to everybody and to tell the editor about it. Then, when shooting was ready, the fish were thawed out, the man held them up, the camera got the signal to "shoot." Then the sun went under a cloud!

They froze the fish again and stored them away. Two days later the sun came out again; they thawed out the fish, set everything up again and got ready to shoot. Then the sun went under again! A third time the fish were frozen. By the time the sun decided to co-operate, the piscatorial characters were in pretty bad shape, practically falling apart and producing an aroma that fell like waves of nausea over their human fellow actors.

One member says that the whole thing smells, and he is absolutely right. The national film board sent out, thousands of miles, actors and cameramen and others to the Pacific coast to take pictures when they should have known, if they had consulted some of the government officials out there, that it was not the proper time to take these pictures. The situation here is similar to that which we witnessed when the national film board sent actors and film men to the university of Toronto to take pictures of the university men and girls and boys around the campus. When they arrived there, what did they discover? They discovered that examinations were on and that no one was out on the campus. So they had to take all these extras and film men and women out of their hotels, put them into coaches, parlour cars and sleepers and send them back to Ottawa at the taxpayers' expense. I say that there should be an examination of this outfit. I do not think the taxpayers should pay for this kind of stuff.

The average taxpayer does not know that here in Ottawa the national film board has some 132 telephones. In their financial summary the national film board do not show those telephones. In fact they do not pay for them. Those telephones are not charged up to the national film board; the Department of Public Works pays for them. That cost should be added on. If that were a company doing a legitimate business, it would be in their statement; but it is not here. Why should the Minister of Public Works be charged with that? The same thing happens with other departments. The Minister of Labour laughs, but he knows I am absolutely right.

Mr. MITCHELL: The hon. member is taking too much for granted.

Mr. FRASER: In 1947 the cost of all these telephones was $6,760 and some cents. Long distance calls were also made on those telephones to the extent of $7,665.65, according to a return I have here. On top of this, over $5,000 was paid for telephones and long distance calls outside of Ottawa. The average taxpayer does not know that. In certain cities throughout Canada in private homes there are telephones which are listed in the telephone book as national film board telephones. Is that right? Should you, or I, even if we were working for the national film board, have in our home a telephone which we do not pay for but which is listed as a national film board telephone which they pay for? I do not think it is right. The film board do not include their salary list in their report or in any other report I have seen. As to financial officers of the outfit, there is a chief treasury officer, chief accountant, assistant auditors, a salary officer—that is the man who pays salaries of these film board employees; 760 I think it is—travel officers, revenue officers and assistants. These are not charged to the national film board but to the department of the Minister of Finance. Last year the travel expenses for this outfit were $242,814.14. Those are travel expenses in Canada. On top of that we have travel expenses outside of Canada—these people get around—of $20,464.10. In order to get these figures I had reams and reams of stuff run through the adding machine, and the figures are the closest we can get. These travelling expenses are not mentioned in the financial report, but on travelling expenses we find under administration and general expenses only $7,500. I do not see any other place where travelling expenses are covered. There is over $262,200 in travelling expenses and only $7,500 shown. The rest is covered up in films they produced. As I said, they must have had a clever accountant.

Another thing that the average taxpayer does not know—in fact perhaps not many members of the House of Commons know it—is that the national film board here in Ottawa occupy space in ten rented buildings. The rent of those buildings is paid by the department of the Minister of Public Works. On top of that, the film board are in two buildings which are owned by the government. These offices cost the Minister of Public Works and his department over $100,000 a year. That includes maintenance of janitor service but it does not include the office work which the Department of Public Works have

to put into this. Besides this, we have the cost of offices maintained by the national film board outside of Canada, which amounts to $138,959. Most of this cost must be paid in United States dollars which the Minister of Finance, through his Bill No. 3, is telling us that it is the policy of the government to save. Yet they are spending that amount. I think it is about time that the government practised what they preach, or tried to.

A little while ago, Mr. Speaker, I gave you the figure of $789,720 as being all that was left of the total expenditures shown in this financial summary after paying salaries and what not. But when you deduct travelling expenses in Canada of $242,814 and $20,464 outside of Canada, plus the cost of furnishing offices outside of Canada of $138,959, this leaves only $387,493 for what might be called the production of films. On top of that you would have to take out the cost of the telephones and you would have to take out $100,000 for offices, which would leave less than $287,000. The people do not get value for their money; and the sooner this situation is rectified the better films we will have.

As I said last year, the national film board are doing good work in some fields, but they are certainly running riot in others. Some of their educational films are good and some are not. Some of the films they have put out for various departments are good and some are not. They make pictures for rural schools, for educational purposes. But what they have here in their financial summary was an eye-opener. I may tell you that I was dumfounded when I saw their figures: films for rural audiences, $26,664, out of over a $2,200,000 expenditure—or more than that; because in that figure is not included all these extras which the Department of Public Works pay for. The film board makes a great play about films produced for school audiences, and they say that the films are produced for the use of school audiences. The amount there is $25,245, and this makes only about $50,000 in films for education. In those films is included salaries, travelling expenses and everything else. So one can imagine what the poor public has got. They are stuck, as usual.

I have mentioned that in some instances the film board is doing unessential work. According to this financial statement there is in the national film board a branch in which stills are made. The board will send out one, two or more men to your town or city, Mr. Speaker, or to mine. Those men will take pictures of some special event. It takes them a day by train to reach their destination—and I believe they go by pullman. It takes them a day to get back, and they will stay about four days in your riding, if possible. While there they will take pictures of some special event. But those are not motion pictures; they are just ordinary stills, camera pictures. The commercial photographers throughout Canada have learned their trade the hard way; they have worked at it from their childhood. They have made it their profession. They have studied it and they have tried to make better pictures. Then the government comes along and says, "We are stepping into your field. You are not to take pictures of this special event; we do it". The government is getting more socialized and more like the C.C.F. party every day.

Mr. BURTON: Oh, don't say that!

Mr. FRASER: This is socialization of the worst kind.

Mr. BURTON: We have the best kind.

Mr. FRASER: The best would be pretty bad. The people who go into the ridings sell these photographs, size 8 x 10, for thirty-five cents. The paper, the developing, the flashlight bulbs and the use of other necessary materials are worth at least that much, to say nothing of travelling and hotel expenses. And those men staying in hotels for four days would spend at least $20 a day each in that time. On top of that they have their salaries and travelling expenses. Even if they sold a hundred of these pictures at thirty-five cents each it would not pay for the time they spend in the villages, towns and cities. But the money aspect of it is not as important as the fact that in doing this work they are robbing the commercial photographer of his right to make pictures. Surely that is unfair. It is the worst kind of unfairness so far as the photographers of Canada are concerned.

I have no brief for the photographers and have received no instructions from them. But they are all honest men and women. They are paying their taxes, including income taxes, in their respective municipalities. They are paying wages to their employees. They support their churches and belong to service clubs, which involves the payment of certain sums of money. On top of all this they should not be subjected to competition from the government of the kind I have described. The film board was never set up for that purpose. The sooner the Minister of National Revenue or some other cabinet minister steps in and says: Out you go; wait until we clean house, the better it will be for this country. It is the worst kind of competition these people could have.

I hold in my hand a return made last year with respect to the film board which shows that in that year they made 170,000 stills. Of that number 79,282 were of the size 8 x 10, and were sold at thirty-five cents each. If anyone in Canada will tell me that the making and sale by the government of 79,282 stills out of a total of 170,000 does not mean unfair competition, I say that he should have his head examined.

We are told that passport pictures were made by the film board. These might have been for government officials, and if so I would have no great objection, although in the past commercial photographers have done the job satisfactorily. Why not let them do it now? It would be done a good deal cheaper than it is done by these film board people.

The film board turn out what they call official portraits. I find that 166 of them have been made. I hope that the only member of the ministry who now happens to be in the house has not had his portrait taken by the board, because they charge only $5 each. A reasonably satisfactory portrait by a commercial photographer would cost a good deal more than that. This is just one further instance of robbing the private photographer. We find that these stills cost $93,270, and we will recall that there was only about $200,000 left of the total budget. If we take the $93,270 away we can imagine what is left for the development of motion pictures for educational purposes for the young, the old, and those who think they are young. I like good motion pictures.

If the national film board has nothing to hide it should be prepared to submit to a full investigation, to have its accounts and its activities checked, to have a check made of its usefulness and of its business methods, and to have inefficient employees weeded out.

In the return I received last year the qualifications required were set out. All kinds of qualifications under the sun were given, ranging from salesmen down to a practical chiropractor.

An hon. MEMBER: That is the last word.

Mr. HAZEN: How many of them are communists?

Mr. FRASER: A little over a year ago I placed a question on the order paper on that point. The answer I received was that they did not know, or that they had not checked whether they were communists or not. In my question I referred to one particular individual, and the result was that a week after my question appeared on the order paper that man, who was a known communist, was fired from the film board. They used common sense for once.

From what I can learn here and in the United States, films made by the national film board at the present time could be made more cheaply by a commercial outfit. It would not be necessary to spend millions to make films worth only a few thousand dollars.

When the debate on the budget is before the house I shall have something more to say about these white elephants. I believe I mentioned before that it does some things in a satisfactory manner, but I still say there should be a housecleaning; and a good scrubbing brush used on the whole outfit would do a lot of good.

Before I take my seat there is just one thing more I should like to say. In later years, especially since 1940, the people of Canada and the United States have been thinking more and more of hospitalization. This is because our veterans were looked after in good hospitals—some not so good—while they were overseas and in Canada and because there has been more education along this line. Not a great deal is being put out by the national health departments both here and in the United States, but rather by women's organizations and service clubs. The people of Canada have become conscious of the fact that they should go to hospitals to be checked up when there is anything wrong. I am told that there is an increased demand for hospital beds. I understand the demand today is fifty per cent greater than it was in 1940. The average citizen, I do not care whether he is rich man, poor man, beggar man or thief, has one great fear, that he might be taken ill and have to go to a hospital and with the present shortage of hospital rooms not be able to get in.

I think the dominion government should clean up the national film board. They would save at least a million dollars, and perhaps two million dollars. They could use that money to make grants to hospitals being built throughout the country on the basis of the beds provided.

The ACTING SPEAKER (Mr. Golding): I must remind the hon. member that his time has expired.

Mr. FRASER: I have just one thing more to say. At the present time we have very few modern streamlined hospitals in Canada, although some are being built. Many of our hospitals are antiquated, they belong to the horse and buggy days. The Drew government in Ontario is making a grant of $1,000 per room to any non profit hospital that is being built.

An hon. MEMBER: How much have they given?

Mr. FRASER: For a great many rooms.

The ACTING SPEAKER (Mr. Golding): I would again remind the hon. member that his time has expired.

Mr. FRASER: I do hope that the minister of national health will see that the Minister of National Revenue hands over some money from the film board to be applied for additional hospitalization throughout Canada.

Mr. E. L. BOWERMAN (Prince Albert): Mr. Speaker, I desire to avail myself of the opportunity afforded by this debate to give expression to what I know is the desire of by far the great majority of my constituents. I know from personal contact and from correspondence which I have received that if they were able to speak personally to this house, particularly to the government, they would do so in the sense of the amendment moved by the leader of the C.C.F. group (Mr. Coldwell). They would no doubt do it in this way:

> We the people regret that Your Excellency's advisers have failed to use the powers provided by parliament to control prices, and by their actions have caused alarming increases in the cost of living and a dangerous lowering of the living standards of the Canadian people.

That Mr. Speaker, is why I am speaking to the amendment moved by my leader, and also because every housewives' league, every women's auxiliary, every labour union, every farm forum, every wheat pool committee and every individual who has written to me from the Prince Albert riding, along with many others from elsewhere, has one and all demanded the reimposition of price controls, the resumption of subsidies and the immediate reapplication of the excess profits tax.

One letter which is typical of the many received contained a copy of a letter addressed to the Prime Minister by the Prince Albert local of the Canadian brotherhood of railway trainmen. The writer states that he was instructed by the brotherhood of his local to inform the Prime Minister that his group were unanimous in their endorsation of the brief submitted to him by the Canadian congress of labour regarding the reimposition of price controls. They state further that in giving consideration to this brief they would like to remind him that during the war they were repeatedly informed by his government that there would be no inflation this time. They particularly wanted to call the Prime Minister's attention to the many Canadian National Railways pensioners who have given the government railways fifteen to twenty-five years of faithful service and who are now faced with the absolutely impossible task of trying to exist on $25 per month. They close with these words:

> Trusting you will consider the wish of the majority of the people and make every effort to improve their standard of living . . .

Before now they will have learned once again that their trust has been misplaced. They, along with Canadians everywhere, will have learned that instead of recognizing and implementing the wishes of the majority, the Prime Minister's government has told this house and the country that so far as the government of the day is concerned sooner or later the type of subsidies that have been paid in the past will be removed, that the remaining subsidies that are now paid on different things will in the course of time be removed and that the policy of the government is the removal of price controlling subsidies. The truth as I see it is that this government, because of pressure brought to bear by self-styled free enterprisers, have turned their back on the system of planned price controlling subsidies which they themselves admitted saved us from ourselves and all others in the most critical period of our nation's history.

They have turned away from the principle of each for all and all for each, the principle of planned economic controls, which gave, in a measure at least, to the humblest citizen the right to share in the needs and necessities of life in a period of great crisis. They have turned from the petition of the majority to the cry of materialistic capitalism.

Capitalism is materialistic. It places a premium on greed, competition, inequality and privilege. It denies the religious concept of the equality of man before God. It rejects the Christian principles of brotherhood and co-operation. It makes a virtue of the amassing of wealth and privilege at other people's expense. Capitalism is un-Christian in its ethics and inhuman in its practice. On the other hand, a democratically planned and democratically controlled society would guarantee and safeguard full economic, religious and political liberty for all.

A co-operative commonwealth federation, a Christian democratic socialist state, if you please, would assure to every citizen that there would be no economic, political or social discrimination because of race, creed, religion, colour or ethnic or national origin. A conservative commonwealth would rebuild society along co-operative principles, appealing not as capitalism does to the greed in men but rather to their desire to work together for the common good. It would rebuild society, national and international, upon the principle that all

men are brothers the world over and that all have an equal right to share in the good things that a kind and beneficent nature has created for the use of all men. Going still deeper to the root of the matter this is also why leading church bodies have considered it their duty to condemn the evils of capitalism and favour the reorganization of society upon principles similar to those of a co-operative commonwealth federation.

Through you, Mr. Speaker, I would like to recall to the mind and heart of those members of this house whose religious convictions are deeply rooted in the Catholic faith a papal encyclical of 1931 wherein Pope Pius XI states:

> You assuredly know and lament the ultimate consequence of this individualistic spirit in economic affairs. Free competition is dead; economic dictatorship has taken its place. Unbridled ambition for domination has succeeded the desire for gain. The whole economic life has become hard, cruel and relentless in a ghastly measure. It is rightly contended that certain forms of property must be reserved to the state since they carry with them an opportunity for domination too great to be left to private individuals without injury to the community at large.

A pronouncement of the Roman Catholic hierarchy of my own province states:

> It is abundantly clear why the church condemns and abhors the abuses of the materialistic capitalism of our industrial age, with its consequent unemployment for the masses and huge fortunes for the few. These evils are so well known that we are saved the trouble of listing them here. Suffice it to say that materialistic capitalism is so un-Christian in its philosophy and evil consequence that it must give way to a reconstructed social order based on Christian principles.

Mr. BERTRAND (Laurier): Who wrote that, please?

Mr. BOWERMAN: This comes from the hierarchy of the Roman Catholic church in the province of Saskatchewan.

Mr. BERTRAND (Laurier): What is his name?

Mr. BOWERMAN: Continuing, I wish to place before this house another pronouncement which was made at a world-wide conference of Anglican bishops at Lambeth, England, in 1930. It reads in part as follows:

> An outstanding and pressing duty of the church is to convince its members of the necessity of nothing less than a fundamental change in our economic life. This change can only be effected by accepting as a basis of individual relationships the principle of co-operation in service for the common good, in place of unrestricted competition for profits and sectional advantages.

Furthermore the late Archbishop of York, William Temple, declared:

> The vast system of beliefs, practices and policies which may roughly be called western civilization . . . was admirably adapted to the production of wealth and power. But its motives were non-Christian, self-interest, competition, the struggle of rival forces. If it is to be a blessing, not a blight, its motives must be transformed.

Still further, in 1939, the report of the committee on social service of the United Church of Canada stated:

> We are driven to the conclusion that the only thing that will solve our present day social and economic problems will be the absolute Christian socialization of the means of production and distribution of all the necessities of life.

The twenty-first annual report of the board of evangelism and social service of the United Church of Canada for 1946 said:

> This board recommends the control by the federal government of any industry in Canada whose degree of concentration or monopoly is such that it can enter or has entered into cartel agreements, believing that the holding of such concentrated economic power in private hands is contrary to the interests of the Canadian people.

Your Honour, what an indictment—the world's great spiritual leaders both at home and abroad condemning in no uncertain terms uncontrolled materialistic capitalism, an "ism" that all down through its history has brought war and rumours of war, famine and pestilence to those peoples who adhere to its system of uncontrolled rent, interest and profit. Is it any wonder, sir, that these great church bodies to whom vast multitudes look for guidance in spiritual and temporal affairs, seeing and knowing the distress that so-called free enterprise has wrought, have cried out: we condemn and abhor the abuses of capitalism? Free enterprise is dead. Dictatorship has taken its place. Our duty before God and man is to convince all people everywhere of the necessity of nothing less than a fundamental change in our economic life. We are driven to this conclusion—the only thing that will solve our present social and economic problems is absolute Christian socialization of the means of production and distribution of all the necessities of life.

Mr. GRAYDON: Does that include the farmers?

Mr. BOWERMAN: That would include everybody.

Mr. GRAYDON: It is interesting to hear that.

Mr. BOWERMAN: In my humble opinion, had the members of our own government and other governments both past and present heeded and practised from Monday to Saturday as some have professed to listen and worship on Sundays they would have so planned and controlled the economic and social legislation of their respective nations that war and tribulation would have been an impossibility. In their respective parliaments they would have so legislated by the will of the people that there would have been production and distribution for use and not for profit. Instead, sir, we drifted until the inevitable result of our selfish individualism, national and international, brought down upon our heads a holocaust of war such as the world had never known—the very fruit of capitalism's own doing. It was not until then, and then only—because capitalism as a way of life, a wrong way if you please, was at stake and could not save itself from utter destruction —that our government and others were forced to adopt a measure of economic planning, controls, subsidies, ceilings, and excess profit taxes that enabled us to win the war and gain the victory, and that not alone over enemies upon foreign shores, but also the enemy at home whose greed and avariciousness would have destroyed us from within.

If the winning of the war has taught us anything at all it should have taught us that it is impossible to survive without adhering to the principle of commodity and price control, if we hope at all to win the greater victory of peace.

The last war revealed possibly more clearly than the first world war that when the world was in trouble, even the remote corners of our country were invaded and our sons and daughters were called into service. Most, if not all of them, had nothing to do with bringing about the conflict that was raging. It was not their choice. They were not responsible for the world that was on fire, and, cruel as it may seem, those of us who are responsible more than anyone else for the kind of world in which we live are not usually required to do the fighting.

But we did not escape the penalty, nor shall we be able to escape it in the future. Our homes were invaded, our children were taken from us, and while many were permitted to return, something has happened to them that has changed their lives. They are not the same. The world is not the same. Those of us who remained at home are not the same, and we shall never be the same again, regardless of what we attempt to do.

[Mr. Graydon.]

We assured the younger men and women that while war was terrible, a victory to us would mean the preservation of the democratic way of life. Some of those folks today are wondering whether or not the so-called democratic way of life was worth saving, when they see how easy it is for the government to forget its promises. Some of them, with some of us who sit on this side of this chamber, are wondering if our government has the same interest in them today that it professed to have when it required and controlled their services, civilian or military, to defend it from the enemy beyond our shores. And when it is suggested that the government attempt to do something for these young men and women in regard to controlling prices on the needs and necessities of their very existence, it is immediately challenged by capitalistic interests who insist that the government must not interfere with so-called private enterprise. They must permit them unbridled and uncontrolled to reap a harvest of profits regardless of the price that people have to pay for a place to live and the wherewithal to feed and clothe themselves.

Sir, before winning the greater victory, the victory of peace, our government yielded to capitalistic pressure and cast to the four winds, as it were, the very measures of controlled subsidies that served so well during our national crisis. Yes, that served so well that during the last two years of the war there was less than a single point rise in the cost of living index. Compare this, if you will, with the year 1947 when the cost of living index jumped over 20 points and the food index over 30 points. Is it any wonder, sir, that in a recent survey it is reported that three of every four Canadians want reimposition of price control? That, sir, is why the C.C.F. group sought to extend control measures not only to March 31 when the emergency will still be with us but at least until the end of 1948. However, it is now a matter of history as to how Liberals, Tories and Social Credit voted to defeat the C.C.F. motion.

This group, Mr. Speaker, and this C.C.F. group alone, has consistently fought for continuing price controls. From the very inception of this twentieth parliament our record speaks for itself. I have no desire to multiply words, but I would like to recall to this house through you, sir, a few of the instances in which we have repeatedly pressed for price control.

On November 23, 1945, my deskmate, the hon. member for Kindersley (Mr. Jaenicke),

speaking for the C.C.F. on the National Emergency Transitional Powers Act, said, as reported at *Hansard*, page 2462:

In order to reconvert to a peacetime economy, we must retain some of the controls, otherwise in the mad scramble back to the promised land of free enterprise, a lot of people will be crushed and I am afraid that it will be largely the little man, the forgotten man, who will suffer the most.

What a crushing, Mr. Speaker, the forgotten man has taken! The little man has suffered. My hon. colleague warned the government in 1945 that such would be the case were we to return to the promised land and tender mercies of so-called free enterprise.

On March 27, 1946, my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell) said at page 317 of *Hansard*:

Let me say to these hon. gentlemen at once that if prices are allowed to take flight, then we are in for a severe trimming of the consuming population of this country . . . This campaign is engendered by powerful business and financial interests in this country who want to puncture the price ceiling and get rid of controls in order that they may have a Roman holiday.

Sir, what a trimming our consuming population and our farmers have taken since these words were uttered! Tables put on the record by my hon. colleague testify that for powerful business and financial interests it has truly been a Roman holiday.

Again on August 27, 1946, this group moved calling for continuance of the milk subsidy so as to ensure adequate return to milk producers and make possible the consumption of milk for the nutrition of the Canadian people without any further increase in the price thereof to the consumer.

As you will remember, Mr. Speaker, this house passed this resolution 69 to 41. But was the will of parliament in this instance supreme, as we have so often been told that it is? Definitely not. The government simply ignored the voice of parliament, which in turn is the voice of the people.

Again, Mr. Speaker, on March 20, 1947, this group moved that:

The headlong decontrol policy of the government has depressed the standard of living of the Canadian people, threatens the country with economic chaos, and is surrendering the future of Canada to profiteering and monopoly.

And called upon the government to—

—give immediate consideration to the introduction of a system of orderly and democratic controls.

The result, sir, with all deference to Your Honour and the Speaker who presided at that time, was that it was ruled out of order.

Again, sir, on April 14, 1947, we moved:

That the government should give consideration to the immediate restoration of price control on and lower prices for the necessities of life, particularly articles of food, clothing and shelter.

Further, this house is of the opinion that the harmful and dangerous effects of the rising cost of living demands immediate and effective action.

Again, sir, our motion was ruled out of order.

In conclusion, Mr. Speaker, may I say I know what the great majority of the electors of my constituency are thinking about price controls. I know the stand they expect me to take. I am content to abide by their judgment; for it is also my own considered opinion. May I add further, sir, my constituents have long since lost confidence in the government of the day to govern in the best interests of all Canadians everywhere. Because they have and because I so believe, I shall vote for the amendment to the amendment:

That this house regrets that Your Excellency's advisers have failed to use the powers provided by parliament to control prices and by their actions have caused alarming increases in the cost of living and dangerous lowering of the living standard of the Canadian people.

Mr. RINFRET: Will the hon. member for Prince Albert permit a question?

Mr. BOWERMAN: Yes.

Mr. RINFRET: I believe he cited a papal encyclical a moment ago. Would he be kind enough to give me the title and the date of the encyclical?

Mr. BOWERMAN: This encyclical, Mr. Speaker, was issued in 1931 by Pope Pius XI. I presume with the intelligence the hon. member has he will be able to find that particular encyclical.

Mr. BURTON: I should think he had read it by this time.

Mr. BOWERMAN: I think he has.

Mr. RINFRET: Quite a number were issued in 1931. May I have the title of it?

Mr. BOWERMAN: You may look it up; I have not the title of it here.

Mr. BURTON: I should hope you had read it by this time.

Mr. J. M. DECHENE (Athabaska): Mr. Speaker, as I rise to ask you, sir, for the privilege of the floor in this august assembly I am reminded of a piece of advice that I heard some years ago given to a lot of our young men in what was at that time and

still is our wealthiest and most populous city in Canada, Montreal. I believe it was in 1928 that I had the opportunity of visiting that city for the first time in many years. I was invited by a friend to attend a church gathering to hear one of the great pulpit orators who at that time was addressing the young men of that parish during the lenten season, the season we are in now. He was speaking to thousands of young men, whom we called the golden youth of those days, the sons of families who were then mostly millionaires on paper, during the great stock boom from 1926 to 1929. It was only a few years after that that many of these same millionaires were gone, only a memory.

I heard this great orator accuse these young men of killing time. They thought their future was assured. They thought they did not have to press their studies with the same vigour as the sons of poorer men. This orator said to them, "Now young men, remember that the time that you kill will not die without taking its revenge". I commend this thought to some hon. members who at times appear to some of us to be killing a lot of time. I had this thought in mind when I was debating whether I should take the floor this afternoon, but I decided that I had a duty to perform, one, sir, that I felt might be performed either on the orders of the day or prior to the orders of the day, on a question of privilege, because I consider that the ability, the character and the orderliness of the members sitting in this chamber were being attacked and that it was the duty of someone to stand up and defend our institutions at this time when the curtain is again descending upon a country which until a few hours ago was free, when every institution that we love is facing the greatest trial ever seen. I felt that when those institutions in which we believe, and which all of us have been sent here to serve, are about to perish unless we are very careful, some comment should be made on the attitude of some of our public men and some of the press who go about this country stating and publishing that the character and the merit of the House of Commons of Canada, and its ability, are not to be compared with these qualities as displayed in the past.

When the assertion is made that the same ability does not exist in this parliament as was evidenced in the past, I think it is the duty of someone better qualified than a humble backbencher from the far north of Alberta to stand up and refute the statements of one man and all those who like him are doing their best, unthinkingly but effectively nevertheless, to lend support to those elements in our country who are at this moment active in an effort to destroy our democratic institutions.

If you listen to the noise as I do in my humble way, you can hear the rats gnawing at the foundations of the edifice that we have erected in this country. I would have kept silent if the statement made by one man who is very much in the public eye, the chief editor of one of our great daily newspapers, had not since been reprinted in two other newspapers, one circulated in Ontario and one in western Canada. I thought, however, that for the honour of this house I had better stand up here and point out the danger of this kind of propaganda. The article to which I have reference, as reported from Toronto, January 13, states that Mr. Grattan O'Leary, associate editor of the Ottawa *Journal* made this statement:

> One of the things that impresses me over the years is the steady decline in the quality of parliament, and with it a decline in its authority.
>
> When business and professional men refuse to join a political party or go to a nominating convention, then it is inevitable that you get a weak parliament. When you get a weak parliament, you get a weak executive, and when you get a weak executive you get a strong bureaucracy. That is the most disturbing trend at the present time.

I never read speeches in this house, Mr. Speaker, because I think my speech sounds better when I do not read it, but I should like to read what I said over the radio in reply to this statement by this gentleman. I spoke over the radio, addressing an audience in the city of Edmonton, and I believe it is of vital importance, if we do not wish to be behind the curtain ourselves in a few months—and do not feel any too safe about it—that someone should reply to a statement such as this.

I do not know about now, but a few weeks ago meetings of communists, fellow travellers and believers in the communistic policy of Russia, some of them members of the civil service, were being held in the city of Ottawa, preparing to sabotage the service in case a call should come from overseas if the occasion arose. That is not far-fetched. You will therefore not be surprised at what I said on March 17, 1947, when I read an article of the same kind, making the same kind of pronouncement on the part of public men in this country, who were talking about how poor we in this parliament were.

I have been in public life for many years. I was a member of the legislature of Alberta, which at one time was led by a man who was considered one of the most brilliant that ever

came from western Canada, except perhaps the right hon. the Minister of Agriculture (Mr. Gardiner). I have had the honour of a seat in this house, Mr. Speaker, associating with members who have listened to me courteously, and therefore I think I have fair enough judgment in matters of this kind. I have belonged to town councils, village councils, and school boards, and I am prepared to say that I am proud to be associated with the members of this house, of all parties.

Mr. KNOWLES: We are proud of you.

Mr. DECHENE: I am proud to be here to serve my country in my own humble way. This is what I had to say on the occasion to which I have referred:

I have always been surprised at the attitude of a lot of our people in Canada and of an important press in their attempt to belittle our parliamentary institutions and the ability of the men who represent the nation at this time. Some of these criticisms coming from, for instance, the Conservative press, are difficult to understand as they lend comfort and support to a class of the people who by their insidious teachings and agitation are doing their utmost to bring about the destruction of these very institutions on which depend the security and prosperity of Canada. These subversive elements take advantage of these unwise statements. In the opinion of men and women who have been acquainted with members of parliament for many decades, this one is undoubtedly one of the ablest ever elected by the Canadian people. It is untrue and unfair to state differently. No less an authority than the present clerk of the House of Commons, whose experience extends over so many decades and whose knowledge of parliamentary institutions and of the men who have represented them is unequalled, is on record as supporting the declaration just made. The character of the men and women charged with the onerous duties of representation in this difficult period of after-war adjustment, is undoubtedly of the best and should stand high in the esteem and regard of the Canadian people.

I believe that the time has come for some member of parliament at least to raise his voice in protest against this propaganda which, it will be admitted by all real Canadians, is of a nature to do a great deal of harm, particularly when the young men and women are just emerging from the terrific experience of the bloodiest and costliest war that has ever afflicted humanity. I can only express the hope that the present parliament will be allowed to live its allotted time and that, whenever an election is held, the calibre of the men and women elected to office will be equal to that of those in the present one. I repeat with emphasis that in that lies the salvation of the parliamentary institutions that we have built up with such care and with great sacrifices and the ceaseless efforts of many great men; and I say to the young men and women who soon must pick up the burden that the enfeebled shoulders of the old, like myself, will no longer have the strength to carry, that they need have no doubt as to the value of parliament to the people of this country and of the opportunity that it provides for these young people for the continued advancement and betterment of our great Canadian nation.

In my estimation this is vital and I voice the sincere hope that writers and speakers will keep in mind the danger to the oncoming generation of lending ear to those who would convince them that there are better systems of government evolving elsewhere in this world. Do we ever stop to think that this nefarious idea is being spread throughout the world by some nations with a form of government and an ideology born only yesterday in strife and in bloodshed; that its application to the government of men is of very short duration and is taught and broadcast by men whose experience in that line of endeavour amounts to only a few years and from a country which has a very limited conception and knowledge of what is involved in the glorious words liberty and freedom? How can anyone attempt to teach our young Canadians that the work and endeavours of generations of free men in Britain, the United States and Canada is of no account as compared to this alleged superior knowledge of men who only yesterday were living in a state of ignorance and slavery? As I have said, Mr. Speaker, I am one of those who must pass the burden from my enfeebled shoulders to those of the young men and young women of this country. Oh, that my voice were eloquent and loud enough to reach all of them and to teach them the beauty of the democracy we have evolved in Canada, copied from that of the mother country; to tell them that it is wrong to say that this parliament is not equal to those that have preceded it. There might have been a greater star here and there, but I doubt it.

Before I move the adjournment of the debate—because I have something else to say—I want to repeat that I personally am convinced—and this is borne out by the opinions of those who have seen other houses in session in Britain and elsewhere; one of my sons some years ago attended the sittings of the congress of the United States and reported to me that we in this parliament do not have to bend the knee or take off our hat to any other organization of its kind in the world.

I have a few more minutes, Mr. Speaker, and since my remarks tomorrow will be confined to what I wish to bring to the attention of parliament and to the country with regard to the tremendous possibilities of Alberta and what I think we ought to do in order to develop those resources which will make us independent almost of any other country I wish to remind the house of something I have had in the back of my mind for over forty-two years. On September 1, 1905, Sir Wilfrid Laurier in Edmonton, on the old fair grounds down the hill, launched Alberta—as he did Saskatchewan a few days later—on its political course as a sister province of this dominion. The setting was magnificent. I can still envision the old Hudson Bay fort which we unfortunately allowed to be demolished since then. I can still see the big house on top of the hill, a few feet from the assembly house in Edmonton. I knew that big house well. As a boy I played there many a time. It was built by Chief Rowland of the Hudson Bay Company, a great man. He was known all over the west. When he erected that three-story big log house, it was known all over the west as "the big house." It stood there when Laurier was addressing the gathering. Just below flowed the magnificent Saskatchewan river bringing water from the glaciers of the west and prosperity to the great plains which it watered. Twenty-five thousand people had come to town. There were not many motorcars in those days; I believe there were only three in Edmonton. People had come in from all over by train, by horse, some even by oxen. I shall never forget the message that this man of vision brought to Alberta, and I am asking myself how it is that our public men, businessmen and farmers have not yet succeeded in bringing about the thing he predicted, namely, that some day the coal from the western plains and from the foothills would heat the houses of the country as far as the city of Montreal and would provide fuel for the manufacturing machinery in Ontario and Quebec; that the gas and oil—and how he knew of those things in those days may be seen by perusing the reports of the old department of the interior—would one day make Canada independent of any other nation.

Just one last word. I can still hear the echoes of this vast crowd composed of our Ukrainian friends from the first settlements,—from Star, Shandro, and Wostok as far as Vegreville—the French Canadians from north of Edmonton and the south, Anglo-Saxons from all over the province, cheering to the echo the message of hope that the leader of Canada in 1905 had brought to newly-born Alberta.

On motion of Mr. Dechene the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. BRACKEN: Is it the intention to proceed tomorrow with the debate on the address?

Mr. McCANN: Yes.

Mr. BRACKEN: If that is finished, what then?

Mr. McCANN: We shall go on with the measure of the Minister of Finance.

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

HOUSE OF COMMONS

Thursday, February 26, 1948

The house met at three o'clock.

FOREIGN EXCHANGE CONSERVATION

TABLING OF LETTER WITH RESPECT TO MAKING EFFECTIVE CERTAIN PROVISIONS OF BILL NO. 3

Right Hon. C. D. HOWE (Minister of Trade and Commerce): I should like to table a letter addressed to my colleague, the Minister of Finance (Mr. Abbott), advising him to make effective the provisions of Bill No. 3 as regards tariff items 393, 427e, 434, 434b, 446 and 461.

OLEOMARGARINE

INQUIRY AS TO REMOVAL OF EMBARGO UNDER GENEVA AGREEMENTS

On the orders of the day:

Mr. WILLIAM BRYCE (Selkirk): I should like to direct a question to the Secretary of State for External Affairs. In view of the tentative statements of the minister on February 11, is he now able to inform the house as to the opinion of his legal advisers regarding the status of oleomargarine under the Geneva agreements? Can he say whether the Geneva agreements permit the importation of oleomargarine? Yes or no?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I thank the hon. member for suggesting that the answer should be yes or no. To the first part of the question the answer is no; to the second part, the answer is also no. But it would not be quite fair to those who might read the question and the answers to leave it at that.

Importation of oleomargarine cannot be permitted unless and until parliament sees fit to repeal or amend section 5 of the Dairy Industry Act. No trade agreement can have the effect of automatically repealing or amending it. Should it be found that the Geneva agreement or the one substituted for it by the Havana conference does require this section to be repealed or amended, the repeal or amendment can be made only by parliament and parliament will have the right to determine in its discretion whether or not it will impose duties on the importation of oleomargarine or excise taxes on the sale thereof. If it decides to do so, there is nothing in the Geneva agreement, nor is there apt to be anything in the Havana modification, to prevent making those duties or taxes as high as may be felt proper to leave the dairy industry completely undisturbed.

BUREAU OF STATISTICS

CIRCULAR OF FEBRUARY 20—EARNINGS OF WAGE EARNERS EMPLOYED IN MANUFACTURING

On the orders of the day:

Right Hon. C. D. HOWE (Minister of Trade and Commerce): At the last sitting of the house the hon. member for Lincoln (Mr. Lockhart) asked me a question with regard to a circular published by the bureau of statistics in connection with the earnings of wage earners employed in manufacturing. I have this letter from the dominion statistician:

The circular which Mr. Lockhart mentions refers to the report "Weekly earnings and hours of work of male and female wage-earners employed in the manufacturing industries of Canada."

Statistics which include all manufacturing firms in Canada cannot be compiled until all returns are in. One of the greatest hindrances to earlier publication is the fact that many firms are slow in making these returns. A great deal of following up has to be done. If we could get in returns promptly over-all figures could be issued months earlier.

We have issued reports on a number of particular industries for the year 1946. These reports cover statistics for a year. Naturally no reports can be issued for 1947 until later this year because questionnaires are not mailed out until after the end of the year to which they refer.

Arrangements have been made with our departmental solicitor, Mr. Anger, to enforce more rigorously the provisions of the Statistics Act in regard to delinquent firms.

BEEF

INQUIRY AS TO REIMPOSITION OF PRICE CEILING

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I desire to direct a question to the Minister of Agriculture, but inasmuch as he is not in his seat, may I direct it to the Minister of Trade and Commerce. Considering the precarious position in which beef feeders of western Canada find themselves today, will the minister tell the house (1) whether or not the government has decided to impose price ceilings

on finished beef within the next three months, and if so (2) when the house may expect announcement of the details of such proposed ceilings.

Right Hon. C. D. HOWE (Minister of Trade and Commerce): I shall be glad to confer with my colleagues the Minister of Finance (Mr. Abbott) and the Minister of Agriculture (Mr. Gardiner), who are more immediately concerned and arrange to have an answer given later.

NATIONAL PARKS

CAVENDISH, P.E.I.—REFERENCE TO CONSTRUCTION OF HIGHWAY

On the orders of the day:

Mr. W. CHESTER S. McLURE (Queens): Mr. Speaker, I desire to direct a question to the Minister of Mines and Resources, due notice of which I have given him. Has the federal government through the minister's department agreed to pay sixty per cent of the cost of the highway from Rustico to Cavendish national park, Queens county, Prince Edward Island?

Hon. J. A. GLEN (Minister of Mines and Resources): I presume the hon. gentleman is referring to a road within the confines of the park. If so, the cost of any such road would be paid one hundred per cent by the federal government.

HOUSE OF COMMONS

REFERENCE TO MEMBERS WEARING RED TIES

On the orders of the day:

Mr. PARK MANROSS (London): Mr. Speaker, may I ask the Hon. Secretary of State whether there is any relationship between the fall of Czechoslovakia to the communists and the number of red flags on display today among the Liberal members?

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Wednesday, February 25, consideration of the motion of Mr. J. A. Dion for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Bracken and the amendment to the amendment of Mr. Coldwell.

Mr. J. M. DECHENE (Athabaska): Mr. Speaker, I hope that I may be able to justfy the wonderful reception that I have just received from my colleagues in the remarks that I have to make in the time left at my disposal.

[Mr. Blackmore.]

When I took my seat last night I had made a brief reference to what I considered to have been the outstanding event of my life, when forty-three years ago in the province of Alberta that grand old man of Liberalism, Sir Wilfrid Laurier, came to Edmonton on the first of September, 1905 to launch the province of Alberta on its political career, and I attended that meeting. I refer to that because as a young man I was thrilled at the possibilities of the great province of Alberta of which I was already an old timer. This was a prelude to the remarks I wish to make, through you, sir, this afternoon, by which I hope to enlist the interest of the house in a discussion of the resources of our province which Laurier described to us in those early days, when it had a population of less than a quarter of a million—our resources of oil, gas, coal, water power, to be added to the immense wealth that could be derived from the breaking of the sod in that great province.

Today, Mr. Speaker, after forty-three years, the hopes and ambitions that we had at the time of the visit of that grand old man have not yet been fully realized. Of course it must be admitted that two great wars have taken place in the meantime which absorbed all our energy and resources so that we might do our share in winning the victory with our allies. But I know and you know, sir, that the hopes of the provinces of the west, and particularly of Alberta, will never be realized unless we bring the factories and the wealth of the east to the west, instead of bringing our coal all the way down to Quebec and Ontario, instead of continuing to charge our farm operations with the tremendous cost of transporting machinery and the implements of cultivation all the way to the west from the manufacturing towns of Ontario and Quebec.

I would like to impress upon the people of this country through you, sir, and the members of this assembly, that we know where the money is. It is in Ontario and Quebec, and I want to induce its transfer to where the power and resources are. Instead of bringing coal to Newcastle, let us bring the factories to Newcastle. We have everything in Alberta except the money to build these factories. A few days ago I read in the *Monetary Times* of November an article referring to a great Alberta salt plant that is now being constructed at a place called Elk Point, in the constituency of Athabaska, some 125 miles east of the city of Edmonton, where both natural gas and salt have been jointly developed by Anglo-Canadian, Home Oil and Calgary and Edmonton. In drilling for oil these companies made one of the richest salt

finds ever made in America, and they are now engaged, according to the *Monetary Times* and other information I have, in constructing a one million dollar salt plant. I mention this for the benefit of the hon. Minister of Transport (Mr. Chevrier) and his colleagues in the cabinet, to impress upon them that this great industry which is to be developed at a cost of a million dollars will require for the transport of its product the closing of that railway gap from Frenchman's Butte, in the province of Saskatchewan, to Heinsburg, in the constituency of Athabaska, Alberta. Is it reasonable to expect this enterprise with every resource—salt, a tremendous flow of gas and everything else to make the project a success—to be able to compete with the salt mines in the Windsor area when it has to ship its product by a roundabout route, going 150 miles around the city of Edmonton and back to find a market? There can be no argument now about the necessity and advisability of constructing that thirty-nine miles of a gap. I know that the big companies engaged in the opening up of this field will make application for this direct route to the eastern market. Our farmers who have been paying tribute for years and years, who have been paying half a cent and more on every pound of pork and beef they exported, on every bushel of wheat they shipped to the Winnipeg market, will also benefit by this direct route to Winnipeg. I will not say any more on that.

I said last spring, Mr. Speaker, that Imperial Oil—I am not an agent of Imperial Oil, but I am thankful to that great company which has spent twenty-five years of its time and $25,000,000 or $30,000,000 of its money to prove that there is oil in Alberta—had faith in that great country. Within a few miles of the great city of Edmonton, so ably represented in this house by the Minister of Fisheries (Mr. MacKinnon) Imperial Oil and other companies have dug forty-four wells. Out of those forty-four, forty-three have proved to be producers. Hon. members know how careful Imperial Oil are. They now admit that if the same ratio of producing wells is found in the hundreds of wells now under development, the problem of oil and gas for Canada will have been to a great extent solved. I speak of this now, Mr. Speaker, because I want to impress upon the government and the people of Alberta that the time has come for the Douglasites and the Manningites, or whatever they are called, to help the development that is going on. The credit of Alberta has been re-established, and therefore the credit of its people. The time has come for us to get together and preserve that credit and invite capital from eastern Canada to come to that province and help in the development that is going on. We should impress upon them it is safe for them to do so.

What I have in mind is this. I am going to plead as long as I am in public life, and after I have left public life and as long as the Lord lends me breath, for the people of that province. In 1913 and 1914 when the first well was found, the Dingman well, near the city of Calgary, I agitated for the return of the mineral rights to the people of the province. At every session of the legislature in Edmonton from 1921 I said that we should no longer retain the mineral rights from the owners of the soil, and that we should no longer issue those titles to the homesteader after he had broken the land, cut the trees, and dug out the rocks with the sweat of his brow and the bleeding of his hands. Having done that, he had earned title from the government of this country to such resources in the ground as mines and minerals. It is getting late, but it can still be done and it ought to be done.

I contend, and I ask my hon. friends across the house to help me to convince their people in Edmonton, that if they wish to pay dividends to the province of Alberta it is not an impossibility to do so without costing the people of this country a single dollar. When Imperial Oil or any other large company goes in there, their geologists will find oil all over the north. I know it is there. They admit today that it is there, and the farmer who has oil under the surface of his land will be able to profit by the resources that God has placed at his disposal. He should own that farm from heaven to hell; it should be his all the way through. But what happens? The companies come along and grab leases all over. The poor farmer, even if he could buy a lease, would not have the money to carry on the development that the law demands. The only way to improve the situation is to return the mineral rights to the owners of the surface, to the owners of the soil.

I was told many times in the past that that would retard development. The men who spoke in that way certainly did not have the information that they should have had, because seventy-five per cent of the states in the great country to the south of us was developed in the way I suggest. Those who owned the surface owned the mineral rights under the surface in those states. Nobody will contend that the minerals were left undeveloped in that country. Would anybody contend that this great country did not see the greatest development of any country in

the world because of the incentive given to the farmers and the people like you and me? All of us, when we know there is something in it for us, do our best to bring about development, because human nature is and will remain the same.

I have something else to speak about today. I am a very unhappy man at this time.

Mr. MacNICOL: There is too much red over there.

Mr. DECHENE: I shall speak about the hon. member in a minute. If my hon. friend wishes me to tell him something I shall do it right now. He has been very busy travelling throughout Canada; his smiling and pleasant countenance has appeared in almost every part of the country. He has visited Fort McMurray often. During the recess I re-read his speeches, and I must admit, with all the admiration I have for the hon. gentleman, that every time he came back with criticism. I will tell him that if he wants to help us he should throw away his hammer and buy a horn, sound it, and help us to develop that country. Do not go up there and listen to some disgruntled parties peddling their criticism and their anger and come to the floor of parliament and voice that criticism to the extent that now no man with money will go into Fort McMurray because he is afraid of the reception he will get.

This afternoon Fort McMurray is idle because of a bad fire. Providence ceased to be kind to us a couple of years ago and a very disastrous fire destroyed the plant. All my life I have made a habit of saying what I think. I lost two or three elections by doing that, but I shall keep on doing it as long as I live. If the day ever comes—and I said this when I lost an election in 1926; I said to the people who were criticizing me for what I said, if the day ever comes when as a man in public life I am afraid to say what I think, then I will have enough guts to get out of politics. The people at Fort McMurray joined in the criticism. I was there in 1945, during the election, of course, for three or four days, and made a thorough survey of the plant. I do not know very much about that kind of operation, but Mr. Speaker, I contend I know as much as anybody from this parliament who went there and a little more, because I and some friends of mine in Edmonton before the first great war invested some thousands of dollars of our own money. The Minister of Fisheries knows that every one of us in Edmonton who dared to try to develop that resource lost our money because the Tory government of 1915 cancelled our leases. We were not able to carry on the development because of the war and our leases were cancelled. We lost every dollar we put in.

[Mr. Dechene.]

An hon. MEMBER: A good Tory government.

Mr. DECHENE: That is not a story; it is true.

A few weeks ago a convention of engineers from all over North America was held at the Chateau Laurier. It was called by the Canadian Institute of Mining and Metallurgy. They invited a number of scientists from the United States to take part in the convention. I shall not weary the house with the details of the meeting, but a geologist by the name of Hume from the Department of Mines and Resources of this country, who is known as one of the best not only in Canada but away beyond our boundaries, made a wonderful report on the possibilities of the Fort McMurray tar sands area. A few miles west of the river, north of McMurray, a few sections of land were thoroughly tested —you can see the result of the testing; you can see the whole map in the Department of Mines and Resources. Just a few sections of land in that area have proved the possibility of extracting crude oil there to the extent of 350 million barrels, enough to supply fuel oil for all the stoves and furnaces in the cities of the east. There is enough bitumen found in various places, clear lakes of bitumen going down forty feet, without any sand at all, to pave every street in Canada. We could get all the material there which is necessary to pave our streets throughout the country. The chances are that right in the city of Ottawa the material needed for the pavement of streets comes from Trinidad or from some American company.

Together with the program recently evolved by this government, I suggest that the time has come when this country's monetary resources should be devoted to the development of its material resources. In this connection I wish to pay a compliment to the Minister of Trade and Commerce—and in doing so I want to assure my hon. friends across the way that I am not looking for a job. I am getting too old to fill any job. I looked for a job some years ago and did not get it, so I will not try again.

An hon. MEMBER: The senate is a good job.

Mr. DECHENE: Not for me. I wish to compliment the Minister of Trade and Commerce, who still has charge of the Department of Reconstruction and Supply, on the splendid work he has done during the last few years. In the last few days I have listened carefully to the debates that have taken place in this house—let me hasten to assure you, Mr.

Speaker, that I am not going to quote from these debates—and I have thought to myself how fortunate we are in this country to have at the helm a man possessing the talent, the ability and the integrity of the right hon. gentleman, who has been the subject of so much criticism. Let me add that he does not have to stand for all the criticism that has been levelled at him. He could live a peaceful life, and he could enjoy that life; for he has done a tremendous job for Canada throughout the war years and up to the present moment. Let us be fair. Hon. members have seen him, as I have seen him, at half past two or three o'clock in the afternoon sitting in the cafeteria munching a sandwich because he had no time for lunch. He has given everything he has to the service of the country in building up a vast and efficient organization. As a result his hair is white but his shoulders are not bent, and after all this he has had to sit here and listen to the criticism that we have heard. Wherever he could get men to do the job that had to be done he got those men, irrespective of their affiliations. He has been criticized even by some on this side of the house for having done so, but he had a big job to do and he got the right men for the job. What is more, he has come through with a clear and clean record. I believe that when the history of Canada is written we shall all be able to point with pride to the work that has been done by the present Minister of Trade and Commerce.

There is a threat that the curtain will close down on us too, unless we are careful, and now the government is taking measures to save United States dollars. I am appealing to the minister to use the same ability and energy he showed in the war in bringing Canadian industry to the point where the power may be available in unlimited quantities to operate our factories, and where unlimited supplies of coal can be obtained, enough to meet the demands of the British empire for centuries to come.

I suggest to the minister that he bring industries to Alberta, which is so far away from the markets of the world. The cost of transportation is excessive, and this is a handicap from which that part of the dominion is suffering. Two or three years ago I had on the order paper a resolution proposing that Churchill be made a free port of entry, but my efforts in this direction have not been successful. Of course I do not expect any support from east of Winnipeg and elsewhere, down to the great lakes, where there are tremendous investments, but the people of western Canada would benefit if they could ship their cattle and wheat and bacon through that northern route, bringing back necessary materials and goods from Britain, without paying tribute to anyone.

My time is about up—

Some hon. MEMBERS: Go ahead.

Mr. DECHENE: I do not wish to take advantage of the generosity of hon. members, but as I speak to you this afternoon, sir, the glorious sun of the west is slowly sinking apparently to its watery grave in the warmth of the great Pacific ocean. In a few hours it will send its last rays over the mountains, the mighty Rockies, shining on the eternal snows and ice of those giants of the west, as a benediction to the yeomen of the plains who are now preparing their seeds for the crops to come.

Mr. GORDON GRAYDON (Peel): Mr. Speaker, I rise to take part in this debate on the address very largely because the opportunity to make inquiries of the government is naturally and obviously limited at other stages of the business of the house, namely on the orders of the day and other special occasions. At such times members have but a limited opportunity to ask questions with reference to urgent and important problems facing the country; therefore I will take advantage of this debate to address some observations to the government and to seek information on a subject which at the moment is engaging the attention of the Canadian people almost as much as any other issue. I refer to the Hong Kong expedition, and of course the matters which have been before the house for some time in consequence of the report.

I had hoped that the Prime Minister (Mr. Mackenzie King) would have recovered sufficiently to be in his seat this afternoon, because there are certain things which I should like to say to him. I cannot, however, allow the matter to stand until next Wednesday, which normally would be the time for the resumption of the debate on the address. I hope the right hon. gentleman will understand that. In any event he will be able to read in *Hansard* what I have to say.

I am approaching the Hong Kong matter as any ordinary citizen on the street would. I do not pose as an expert; I do not attempt to bring to the house more than a commonsense reaction to the issues at stake, because I have no inside information with respect to Hong Kong. I shall base my remarks, seeking information on that basis, only upon such information as I have gathered from *Hansard*, from what I have gleaned from the com-

missioner's report on Hong Kong, and what has been circulated among the Canadian public through the press.

Let me hasten to say to hon. members—perhaps they will not be surprised to hear it—that I have not read the evidence before the Duff commission. I do not suppose many people have. Nor have I had an opportunity to read any of the letters which constitute what is commonly known as the Drew correspondence with the Prime Minister. If I may, however, I should like to simplify as best I can one or two of the points at issue as I see them, and to put that issue squarely before the Prime Minister, parliament and the country.

Mr. SPEAKER: I am sorry to have to interrupt the hon. member, but I cannot hear what he is saying. I would ask members who wish to talk to go into the lobby. There is so much noise in the house that it is hard to follow the hon. member who has the floor.

Mr. GRAYDON: Thank you, Mr. Speaker.

Mr. KNOWLES: Send them a letter.

Mr. GRAYDON: At this stage, if I may, I want to trace in a chronological way just what happened from September 19, 1941, until now. So many things happened in the war and have happened in the post-war period that the public, and perhaps even parliament itself, may forget the sequence of events which it is necessary to recall as a basis and background in order to deal with a matter of this kind which is being discussed in the house from time to time.

On September 19, 1941, Canada was invited by the British government to send an expedition to Hong Kong. On October 16, 1941, the war party assumed control in Japan. I may say that I am giving only the barest and briefest outline of the sequence of events. On October 27, the Canadian troops left Canada for Hong Kong; and from the information I have been able to glean from the sources to which I have already made reference I take it that they were expected, in the original instance, to be a garrison force and to be part of a general show of force on the Pacific scene. Judging from what I have read, in any event, I think it must be generally accepted that these troops were inadequately trained and equipped even for that garrison duty, let alone for heavy combat. Later in the year Hong Kong surrendered. In 1942 Mr. George Drew, now Premier of the province of Ontario, made certain charges in connection with the handling of the expedition from the standpoint of the government and the military in general.

[Mr. Graydon.]

Shortly after that the then leader of the opposition asked for an inquiry and investigation by the government. The government appointed a one-man commission to investigate, and selected the chief justice, Sir Lyman Duff, as the sole commissioner. The opposition then selected Mr. George Drew, who was then the leader of the opposition in the Ontario legislature, as opposition counsel. From then on the commission held its sittings. The report was published later in 1942, with certain parts of the evidence taken before the commission attached to the report, although it was said it was supposed to have been an in camera inquiry. Shortly afterwards Mr. George Drew sent a letter to the Prime Minister and copies of it to the party leaders. The date of that letter, or at least the date on which it was received by those to whom it was sent, was July 11, 1942.

Hon. members of course know the story with respect to the seeking of the tabling of that letter. The Prime Minister finally decided not to table it, although that was asked for by the opposition. Actually what happened was this. He first indicated his willingness to table the letter, particularly after the hon. member for Rosetown-Biggar (Mr. Coldwell) had assumed whatever responsibility might be attached to asking for the tabling of the letter which was in the Prime Minister's possession. But in the interval between six o'clock in the afternoon and eight o'clock at night the Prime Minister changed his decision and finally arrived in the house with reasons which he advanced for refusing to table the letter from Mr. Drew.

Mr. WARREN: May I ask one question, Mr. Speaker, of the hon. member?

Mr. GRAYDON: Yes.

Mr. WARREN: Is the hon. member for Peel desirous that the Canadian people should fight world war II all over again?

Mr. BROOKS: That is a silly question.

Mr. WARREN: I do not think it is.

Mr. GRAYDON: Ordinarily, Mr. Speaker, the hon. member for Renfrew North asks much better questions than that, and I think he does himself less than justice by seeking to intervene at this time with a question as irrelevant as the one he has put.

To continue, I may say that the debate took place later in the house, but without the Drew correspondence, and without the evidence which is now being asked for again, it was largely, as must be obvious, a debate in the dark. There matters stood until General

Maltby, in January of this year, with the consent of the British war office, released his report as commander of the Hong Kong force.

We now come to the chronological position with respect to the Drew correspondence, as the matter was then revived. On January 29 the leader of the opposition asked for the tabling of the Drew correspondence. He asked for it then because the Maltby report had been released and the whole question of Hong Kong had been thrown open to the public. Perhaps General Maltby's report is the best answer to the hon. member for Renfrew North as to whether or not world war II should be fought all over again. In any event the leader of the opposition asked for the tabling of the Drew correspondence. On January 30 the Prime Minister answered. I shall not read the whole answer, unless someone desires that it should be put on the record; but the pertinent parts—and I want to be fair about this—I think are as follows. This is the Prime Minister's answer as reported at page 715 of *Hansard*:

The government will now have, among other things, to consider with the government of the United Kingdom whether the reasons given in that opinion for declining to table the letter continue to be valid.

Then on February 6 the leader of the opposition again asked about the Drew correspondence, and this, in part, is what he said as reported at page 937 of *Hansard*:

Some days ago I asked the Prime Minister if in view of the war office release regarding the Hong Kong incident he would table the Drew correspondence with respect to it. He later intimated that he would take up the matter with the United Kingdom government. My question is: Has the Prime Minister any reply, and if so, will he now table the correspondence?

To which the Prime Minister replied:

I did take up the matter immediately with the United Kingdom government at the time my hon. friend spoke about it in the house, but I have not as yet received a reply.

On February 20 I asked a question which was collateral to the question of the production of the evidence taken by the Duff commission. The Prime Minister said at page 1430 of *Hansard*:

A little later I shall be glad to give the house the views of the British government on the matter, but I wish to show the leader of the opposition a cable I have received in reply before I make a public statement.

This is in reference only to the evidence.

The communication was received only yesterday, so I have not been able to bring its receipt to the attention of the house before today.

Then came my question:

May I ask the Prime Minister if his remarks with respect to the Hong Kong evidence apply equally to the letter written by Premier Drew, about which there has been some discussion in the house?

Mr. Mackenzie King: I should think it would, but I would have to re-read the letter of Premier Drew to make sure whether it contains references to parts of the evidence to which the British government takes exception to publicity being given.

On February 24 another question arose in connection with this matter. Once more the evidence was under discussion and a point was very properly brought up by the hon. member for Lake Centre (Mr. Diefenbaker), who at page 1553 of *Hansard* said:

I should like to address a question to the Prime Minister arising out of his statement here today, with particular reference to the letter from Premier Drew. Will the Prime Minister produce all letters, wires and memoranda containing any requests to the high commissioner's office and from the high commissioner's office to His Majesty's government in Great Britain regarding complaints put in against the production of that letter, so that the house and country may judge whether or not production was actually asked for or the request was made in such terms as to amount to an invitation to His Majesty's government not to consent to the production of it?

The Prime Minister replied:

Mr. Speaker, I resent very strongly the insinuation of my hon. friend that I have been sending messages to His Majesty's government in the United Kingdom to induce that government not to have Mr. Drew's letter produced.

As a matter of fact I think there might be some resentment on another side of the house over the fact that the letter had not been produced long ago. The Prime Minister continues:

May I say to my hon. friend at once that the communications with respect to the Hong Kong inquiry which are included in the evidence took place before Mr. Drew's letter was ever addressed to myself. Mr. Drew's letter came some time after the report of the Hong Kong inquiry had been tabled.

Then came a very important statement by the Prime Minister, which I think should be linked with what the Prime Minister previously said and which I read into the record:

So far as Mr. Drew's letter is concerned, I have made no communication to the British government one way or the other with respect to it.

I want to leave the matter there, because while there was some further discussion I think that was the only clear statement made at that time. That, I think, shows clearly that the refusal to publish the Drew correspondence was not a decision of the British government

but a decision of the Prime Minister of Canada and his cabinet, on whatever advice he may have been given. I am not constituting myself the sole judge as to the propriety of the Prime Minister's decision with respect to the tabling of the Drew correspondence, but certain published allegations which are known to the people of Canada I think should be placed before parliament, whether or not the letters are ever tabled, to give this parliament and the people some basis on which to judge for themselves whether or not these letters should be tabled.

I want to refer to today's issue of the Toronto *Globe and Mail*, which I believe throws further light on the matter or at least makes it apparent that parliament is entitled to a much fuller and franker statement by the Prime Minister than he has given so far. I want to read into the record this short paragraph:

> What is of interest at this date is whether the government knew before the sailing of the expedition that conditions in the Pacific had changed, and that war was an imminent possibility. The Duff report states categorically that "the best informed opinion available to the Canadian authorities was that hostilities would not arise in the near future." This statement was vigorously challenged by Mr. Drew, in a letter to Mr. King dated July 11, 1942. It is this letter, in particular, which Mr. King is so loathe to release, although he promised to table it on July 14, 1942, only to retract his promise within two hours.
>
> Could it be that Mr. King's reluctance, which is going to fantastic lengths, is due to the fact that Mr. Drew referred to a communication—from a high British diplomat—dated October 24, 1941, telling Mr. King that "altered circumstances" obtained in the Pacific? Is this the document he is afraid to put before the public, because it shows that Mr. King knew, three days before the sailing of the Hong Kong expedition, that these untrained, unarmed men would not be facing a period of ordinary garrison duty, but the virtual certainty of brutal war?

This is something, of course, the public can read; otherwise I would not be able to give that information to parliament today. What I want to know, however, and what Canadians generally want to know is, did the Prime Minister receive, see or have any knowledge of the communication referred to in this editorial? If the Prime Minister did have such knowledge, how can he condone that part of the Duff report appearing on page 46, which says:

> In considering the character of these additions, as well as in considering the question of the selection of the units, we should remind ourselves once again that in October, 1941, there were no hostilities in the Pacific and the best informed opinion available to the Canadian authorities was that hostilities would not arise in the near future.

Here, at least apparently, is the core of one of the issues at stake in this controversy. I suggest in view of what the public already know, and in view of the position in which the matter now stands, that things cannot be left as they are now. That is the point I want to make in this connection. The hon. member for Quebec South (Mr. Power) was quite right when he said on February 24, at page 1552 of *Hansard*:

> . . . I cannot do anything else but ask the Prime Minister to request the British government to review its decision and have it produce every available bit of evidence.

His statements, of course, were in connection with the evidence taken before the commission, but I think his remarks go to the root of the whole matter. He went on, and I think this is the important part of what he said:

> I shall be most unhappy if every dispatch, every report and every item of evidence is not laid before the people of Canada.

I want to say just one word in closing. From what one can gather, in the correspondence between the Premier of Ontario and the Prime Minister, which has never been tabled, there are charges against the Prime Minister personally. In view of what the public does know, in view of the necessity to lift the lid off this whole Hong Kong business—surely the public of Canada have the right to know the whole story and be able to judge from the evidence at this stage so long after the war has been concluded—in my opinon it is not proper for the Prime Minister or any member of the government to hold back from parliament charges which apparently have been made in this letter, thus rendering it unnecessary for the Prime Minister or the government to meet those charges either in parliament or out of parliament.

I want to leave the situation there just as it is, in the hope that the government and the Prime Minister will see their way clear to review the position which has been taken and finally let the public of Canada know what are the facts of this whole Hong Kong matter.

Hon. BROOKE CLAXTON (Minister of National Defence): Mr. Speaker, I had not intended to take part in this debate, but in view of what the hon. member for Peel (Mr. Graydon) has said I feel that I should not let any time elapse before I make some comment on his remarks.

The hon. member reviewed the course of the Hong Kong matter as it appears on *Hansard,* but there were some interesting and significant omissions upon which I shall touch in the course of my remarks. He said at the outset that he had no inside information on Hong Kong, that he had not read the evidence given before the Duff commission. This latter statement is not surprising because as everyone knows, the Duff commission took its evidence in camera. Had the hon. gentleman read that evidence he would have done so quite improperly.

The reason why the evidence was taken in camera must be perfectly apparent to hon. members. The decision to take the evidence in camera was made by the royal commissioner soon after he was appointed. That decision was of his own volition, without any suggestion either from the government or from the counsel associated with the commission. That decision was made because at that time we were in the most difficult period of a war in which Canada along with other countries was fighting for her very life. When you are in that position it is not a good thing to tell the enemy what you are doing and the reasons why you are doing it or to give the enemy sources of information upon which you base the actions you have taken.

The commissioner was the Chief Justice of Canada, the Right Honourable Sir Lyman P. Duff. The commissioner had the most distinguished career on the bench of any judge in Canada, extending over thirty-eight years; he was unquestionably the outstanding jurist in Canada. His decision to hold the commission in camera was made in accordance with well recognized practice. For example, I would refer to the only other two royal commissions of a similar character of which I have information, namely, the Dardanelles commission and the Mesopotamia commission. Those commissions were appointed in 1917 by the British government to inquire into events in those two theatres of war. It is interesting to note that the hearings of those two commissions were held in camera and that the reports included verbatim quotations from the evidence. So far as I know the evidence given before those commissions has never been made public.

This commission had to assist it the services of very distinguished counsel. The leader of the opposition was granted the rather unusual privilege of selecting counsel and he selected Mr. Drew. The government appointed as its counsel Mr. George A. Campbell, K.C., a distinguished lawyer in Montreal, formerly batonnier of the bar of the province of Quebec and a gentleman not particularly noted for his active support of the administration. At that time he was chairman of the executive committee of the Conservative association in St. Antoine-Westmount and had actively opposed my colleague, the Minister of Finance (Mr. Abbott), in the election which had taken place two years before. Then there was Mr. R. L. Kellock, K.C., since appointed a judge of the Supreme Court of Canada. He had to assist him Mr. R. M. Fowler, who is now president of the Newsprint Association of Canada. These gentlemen took part in the work of the commission on the terms fixed by the commissioner. There was no demur either at the hearing or in public; the conditions applied to Mr. Drew just as they applied to the other counsel taking part.

In the course of the commission a number of witnesses were called and examined. As I said yesterday, some 2,300 pages of evidence were taken and over 300 exhibits were filed. A considerable number of those exhibits deal with military matters such as reports on units and individuals which did not go to Hong Kong and which it is felt should still be kept confidential. A considerable number of the exhibits, and there is also some evidence quoting them, consisted of cables and signals about troop movements and the like which are of no particular significance now but if they were given verbatim without change they might assist another country to break our ciphers. On that ground they should be paraphrased, but there is no objection whatever to their being produced by—

Mr. PEARKES: Would the minister—

Mr. CLAXTON: I should prefer to finish first and answer later, because I want to follow my hon. friend's argument as closely as I can.

The exhibits also included communications received from the British government. They were put before the commission after the consent of the British government had been obtained to that course. That was done in accordance with the invariable practice existing between governments whereby documents marked "secret" or "most secret" or "confidential" are not revealed to anyone without the consent of the government from which they were received. In addition there was a limited number of cables, I think five in all, which did not deal specifically with the expedition to Hong Kong but dealt with general political considerations. They were all marked "most secret" and at the suggestion of the chief justice the government asked the con-

sent of the British government to make those cables available to the commission. The British government agreed, but only subject to the express condition that these cables would be shown to the royal commissioner and to counsel only, that no copies would be made, and that they would be used only for the purposes of the commission. There was no objection made to that course.

Mr. DIEFENBAKER: Was not that after the evidence had been taken?

Mr. CLAXTON: Yes. My recollection is that it was after the conclusion of the taking of the evidence, before the receipt of the evidence General Crerar on commission from Britain, and before argument had been completed. It was before the argument. The condition on which these cables were disclosed was well understood, and so far as I have been able to ascertain it was lived up to in every particular except by one of those taking part.

Following the taking of evidence, which went on from the 2nd to the 31st of March, counsel were asked to file written arguments, which they did. Then they met the commissioner, and in accordance with the understanding the commissioner asked them to file with him all their copies of the transcripts of evidence and written arguments and all notes used in connection with the inquiry. As far as anyone knows that course was followed at that time.

The report is dated June 4, 1942. It was made by the chief justice after he had heard the evidence, seen the witnesses, read the arguments, and heard the supplementary arguments. Of all people in Canada he was the one best qualified, first of all, to sit as a royal commissioner, and second, having sat, to make a report. In fact he is the only person so far as I know who has any kind of qualification to deal with this matter in its present state, because I venture to say that no one else has read all the evidence, and certainly nobody else has had the advantage of seeing the witnesses.

Mr. DIEFENBAKER: Will the minister permit a question on that?

Mr. CLAXTON: I should complete my statement, and then at the end if the hon. member desires to ask a question I shall be glad to answer it.

Mr. DIEFENBAKER: It was just this. Will the minister clarify this point? What justification is there for the commissioner being able to refer to selected excerpts from the exhibits while the public is denied the whole exhibits to ascertain whether or not the conclusion arrived at by the commissioner was supported by the exhibits?

Mr. CLAXTON: The hon. member must accept that situation as an inevitable consequence of any commission being held in camera. Either we should have commissions in public, in which event everyone can see the evidence, or if they are held in camera, and I think everyone will agree that in this case it was necessary that that course should be followed—I have never heard anyone suggest the contrary—we must recognize and accept the consequence that the royal commissioner would have to deal with matters in just that way. As I say, the Dardanelles commission and the Mesopotamia commission both quoted parts of the evidence that supported the conclusions of the royal commission, and in exactly the same way the royal commissioner in this present matter quotes parts of the evidence and attaches two exhibits to his report. The only other way would have been to have an open commission with the consequences that would have followed.

Mr. DIEFENBAKER: Is there not a difference between a secret commission and one in camera?

Mr. CLAXTON: No, there is no difference here. The royal commission was appointed for the purpose of making a finding. I will read the terms of the order in council, P.C. 1160, dated February 12, 1942, which gives the scope of his reference. He was appointed to inquire and report upon—

> The organization, authorization and dispatch of the Canadian Expeditionary Force, and, without restricting the generality of the foregoing, the selection and composition of the force and the training of the personnel thereof; the provision and maintenance of supplies, equipment and ammunition and of the transportation therefor; and as to whether there occurred any dereliction of duty or error in judgment on the part of any of the personnel of any of the departments of the government whose duty it was to arrange for the authorization, organization and dispatch of the said expeditionary force resulting in detriment or injury to the expedition or to the troops comprising the expeditionary force and if so what such dereliction or error was and who was responsible therefor.

The chief justice made his report, and I shall read only the conclusion in which he says:

> In October, 1941, the Canadian military authorities undertook a task of considerable difficulty. Subject only to my observation concerning twenty of the two hundred and twelve vehicles of the mechanical transport, they performed that task well. Canada sent forward, in response to the British request, an expedition that was well-trained and (subject as

aforesaid, in so far as shipping facilities allowed) well provided with equipment. In spite of the disaster that overtook it soon after its arrival in Hong Kong, it was an expedition of which Canada can and should be proud.

The war came upon us when we were unprepared for it. In such circumstances, recalling military history, one would perhaps not be greatly surprised to discover that even two years after its commencement some military enterprise had been undertaken which had proved to be ill-conceived, or badly managed. The Hong Kong expedition falls under neither description.

That is the conclusion of the report. An appendix is attached to the report, which is incorporated to form part of it, in which the chief justice deals in considerable detail with the various matters contained in his terms of reference. That was the report of the royal commission.

The report was dated June 4, 1942, and on July 11, 1942 Mr. Drew wrote the first of the letters to which reference has been made. That was followed by a further letter on July 16. Copies of these letters were sent to the then leader of the opposition, Mr. Hanson, the hon. member for Rosetown-Biggar, and the leader of the Social Credit party, and on July 14 the hon. member for Rosetown-Biggar asked whether the Prime Minister would produce the letter of June 11. The Prime Minister immediately said that he would, but next day received the letter printed at page 4254 of *Hansard* for July 15, 1942, from Mr. George A. Campbell, counsel for the government at the commission, expressing the view that it would not be proper to publish the Drew letter because it referred to communications from the United Kingdom which had been made available to the commission on the express condition that they should be kept secret. This is the important point about tabling the letter. The Prime Minister read the passage to the house from Mr. Campbell's letter in his statement, as reported at page 1550 of *Hansard*. In that opinion Mr. Campbell has this to say:

> At the conclusion of the hearing for the taking of testimony in this matter, and some days before the date fixed for completion of the hearing of oral argument, all counsel concerned received notice from the commissioner requiring them on the day of the final hearing of oral argument to deliver up to the secretary of the commission any and all transcripts of evidence, exhibits and copies thereof, written arguments and copies thereof, notes of evidence and any and all other writings and documents relating in any way whatsoever to the matters in question.
>
> It appears from Mr. Drew's communication that it purports largely to be based upon his written argument to the commissioner, of which presumably therefore he retained a copy in his possession. In his letter he gives a number of verbatim quotations from the transcript of evidence and exhibits.
>
> Mr. Drew's letter purports to give the effect of a number of confidential communications received by the government of Canada from the government of the United Kingdom, the disclosure of which was only consented to by the government of the United Kingdom subject to a specific condition that the disclosure was to be limited to the commissioner and counsel only, and solely for the purpose of the inquiries; and the commissioner was not permitted to reproduce these communications in his report. Any disclosure, therefore, even to the House of Commons, would in my opinion be a violation of the substance of that condition.
>
> If, therefore, Mr. Drew's communication is tabled by you before the House of Commons I am of the opinion that you will be violating a condition under which the government of the United Kingdom consented to the disclosure to the commissioner and counsel of those telegrams.

Mr. DIEFENBAKER: That is only an ex parte opinion.

Mr. CLAXTON: I know that my hon. friend does not like it, because it discloses a breach by Mr. Drew of the condition—

Mr. COCKERAM: It does nothing of the kind.

Mr. CLAXTON: —of confidence and secrecy on which the information was given and on which the inquiry was held. I know the hon. member does not like it because also, while it is an opinion, it is an opinion from a very distinguished lawyer whom I described to the house a few minutes ago. Certainly it is not an opinion which any government that respected its word, and wanted to have its word respected by others, would lightly break or depart from.

I ask hon. members, and I ask the people of this country, if they would suggest for a second that this or any other government of this or any other British dominion would table communications sent to it marked "most secret" to which tabling objection had been made by the government which had sent those communications. I venture to say that anyone who is honest, and anyone who has any respect for himself and seeks the respect of others, will have no uncertain answer to that question.

Mr. DIEFENBAKER: On a question of privilege, the question was asked; I now ask the minister this question. If all that he states be correct, why is it then that the Prime Minister says he has never asked the British government whether or not it would consent to the production of the Drew letter?

Mr. CLAXTON: Because the objection to the production of the Drew letter, and the fundamental impropriety of the letter itself, is due to the fact that it makes a breach of communications made by the British government on condition that they were kept confidential. Whether this is so or not is not a matter for

the British government to determine. Our communications with the British government were directed to one point and one point alone: were they willing to have those communications made available to the commission, and later, were they willing to have them made available to this parliament. It is because of their negative answer to that question that the action with regard to the Drew letter was largely based.

Now, Mr. Speaker, this matter has been brought up again after this long period of six years, and it is suggested that this revival has occurred in consequence of a report by Major General Maltby. We shall see what that report was.

This was a report made to the war office by the general officer commanding British troops in China. It was dated November 21, 1945, published in the *London Gazette* on January 27, 1948, and released from the war office. The report was made by General Maltby in his capacity as the general officer commanding the forces there, and it was made in exactly the same way as, say, a report by General Crerar on the operations of the forces under his command. General Crerar made a report to the government of Canada through the Minister of National Defence on the operations of the first Canadian army in northwestern Europe, and it was made in accordance with the well established practice under which general officers make their reports. It is natural that, having been issued, it should have created some interest; but as for reviving this Hong Kong inquiry, I do not think it is the Maltby report which is doing that. It seems to be hon. members opposite.

It was not my purpose to go into the facts at this time because all that we have is the report of this royal commissioner, and I for one, until I have some other evidence, accept completely the report of the royal commission.

Mr. PEARKES: Have you heard what the men said when they came back?

Mr. CLAXTON: I have heard what a good many men said in connection with a good many things in connection with this whole matter.

An hon. MEMBER: Were they well equipped and well trained?

Mr. CLAXTON: With regard to those two matters I will say one word. In his report General Maltby has this to say, and this only, on the subject of training:

> Royal Rifles of Canada and Winnipeg Grenadiers:
>
> These two battalions proved to be inadequately trained for modern war under the conditions existing in Hong Kong.

[Mr. Claxton.]

In this connection I should like to refer to a statement made by General Crerar in his evidence.

Mr. COCKERAM: General Crerar did not give any evidence. He should have; he was chief of general staff.

Mr. CLAXTON: Of course he did. General Crerar, in his evidence before the commissioner, which is quoted at page 33 of the commissioner's report, dealt with this, and what he said is interesting and important. General Crerar, it must be remembered, was chief of general staff in Canada at the time when this expedition was authorized and dispatched. Subsequently he was sent overseas and he gave his evidence before the commission by a written statement in answer to questions put by counsel for the commission and for the opposition. He said:

> To the best of my knowledge and experience, however, no battalions of any army, even if fully equipped, can ever be regarded as completely trained. Training is an unceasing process. There were, however, in Canada at the time in question a number of battalions (among which were Royal Rifles and Winnipeg Grenadiers) which, although somewhat handicapped by lack of supplies of certain platoon weapons (mortars and anti-tank rifles)—

That is, handicapped in Canada; they were not short of these weapons in Hong Kong.

> —in my opinion were generally adequately trained to undertake defensive responsibilities such as those in prospect in Hong Kong.

Mr. BROOKS: Some of the men had not six weeks' training.

Mr. CLAXTON: General Crerar's statement is completely in accordance with the facts, and I venture to say that very few members of this house, and very few people throughout the country, will quarrel with the statement made by General Crerar in view of his record when in command of the first Canadian army.

Mr. CRUICKSHANK: Drew did not go beyond the rank of lieutenant overseas.

An hon. MEMBER: Who didn't?

The ACTING SPEAKER (Mr. Golding): I must ask hon. members not to interrupt. Every member has a right to present his case on the floor of the house without interruption.

Mr. LENNARD: Tell the whole story.

Mr. CRUICKSHANK: Lieutenant is all he got overseas. He never was a colonel.

An hon. MEMBER: Shot up worse than you.

Mr. CRUICKSHANK: I will debate with Drew at any time, any place.

Mr. BROOKS: He would not disgrace himself debating with you.

Mr. CRUICKSHANK: You didn't have such a record overseas.

Mr. BROOKS: I am not boasting about it either.

Mr. CLAXTON: Mr. Speaker, as I said yesterday, the work is going on of preparing the record for filing. When I was asked yesterday whether or not the Prime Minister had dispatched a request to the British government for consent to table the communications, the tabling of which had been objected to, I said I believed that had been done. I have confirmed that since and found that a cable was dispatched within an hour of the request being made by the hon. member for Quebec South. One can understand the hon. member for Quebec South making a request for anything and everything that will throw light on this because, as he said, of all people in this house he is perhaps most concerned, having been the associate minister of national defence, and at the time he was acting in the place of the minister owing to the absence of Colonel Ralston. I think it will be found that, when the time comes, the hon. member for Quebec South with that frankness and capacity with which he conducted the affairs of the Department of National Defence for Air during the war, will deal with this matter effectively just as I believe that the people would have the most complete confidence in his judgment on anything he chose to do. On that account I feel reasonably certain also that if the tabling of these cables is permitted—

The ACTING SPEAKER (Mr. Golding): Order. I would remind the hon. member that his time has expired.

Some hon. MEMBERS: Go ahead.

Mr. GRAYDON: There is no objection from this side.

Mr. CLAXTON: I thank hon. members for their courtesy. I shall take only a minute or two longer. I believe that if the tabling of these communications is permitted, it will be found that they further support the position then taken. When that is done, it may perhaps be a more appropriate time to deal with this matter, should the necessity arise. In conclusion I would draw the attention of hon. members to two further circumstances.

Mr. DIEFENBAKER: Before the minister leaves that point, will he permit another question?

Mr. CLAXTON: Yes, I will—later.

Mr. LENNARD: The hon. member is speaking on borrowed time now.

Mr. CLAXTON: Hon. members opposite have either given me some time in which to finish, or else they have not.

Mr. DIEFENBAKER: I want to thank the minister for the generous manner in which he has always made way, just as I always endeavour to make way when I am asked a question. The question I wanted to ask him, before he passed on to another subject, was this. Was he or any other member of the cabinet made aware of the contents of the report of General Maltby prior to its release by the British war office on January 29?

Mr. CLAXTON: I cannot speak for my colleagues, because I have not asked them, but I feel reasonably certain that none of them was; and I certainly had not been. That would not be usual. When General Crerar made his report on the operations of the first Canadian army I am quite certain that he did not consult the representatives of the governments of Czechoslovakia, the Netherlands, Belgium, Poland, the United Kingdom or the United States just because members of the forces of all those countries at one time or another served in the first Canadian army. I feel reasonably certain that the same would be true of Field Marshal Alexander and of the other reports. In this war the allies were fighting combined operations under unified commands, with the representatives of various nations associated under different commands. As far as I know the practice was not followed of consulting with the representatives of all the countries concerned when it came to the preparation of a report by the general officer commanding, although no doubt there would be exchanges at the official level to verify details.

I was just about to conclude with two short observations, Mr. Speaker. The first is this. We should remember the stage of the war at which Hong Kong took place. These troops left Canada on October 27 and arrived at Hong Kong on November 16. On December 7, 1941, without warning the Japanese forces savagely attacked the United States forces at Pearl Harbor and the British forces at Hong Kong. We all know of the tragic series of disasters that took their course around the whole area of the Pacific, all resulting from those first attacks. It is no secret that the plan envisaged in garrisoning Hong Kong was that it might be held for a number of months, at the end of which it would be relieved by the superior strength of United States and British naval forces. But the disaster at Pearl Harbor and the loss of

the *Repulse* and the *Prince of Wales* ended any such hope. Not long after, Singapore had to capitulate after active fighting in defence had lasted for eight days. Somewhere between 70,000 and 100,000 British forces had to surrender there. At Hong Kong the troops went on fighting for seventeen days in most difficult country, on two sides of the narrow strip of water separating the island from the mainland, against overwhelming forces. It is a great feat in the history of our arms that our forces were able to do so well. And, Mr. Speaker, I make this observation in closing. It would be hard to find any better reflection of the war effort of Canada and on the war-time administration of this government than to appreciate the fact that now, after the war is over, and six years after Hong Kong, the members of the opposition revive this question as the only serious blot charged against the record of a fine country and a great people doing everything they could to play their part in defeating the enemy.

The ACTING SPEAKER (Mr. Golding): I should like to draw to the attention of hon. members the fact that the rule is quite clear that a member who has the floor must not be interrupted; nor must he be asked a question unless he consents to answer it. The hon. member will indicate his desire to refrain from answering a question by remaining standing. No two members should be on their feet on the floor at once. Furthermore, the rule is quite clear that a member may rise to a question of privilege at any time; but if hon. members will study the rules I think they will find that the question of privilege must be one which affects the member personally and which he wants to correct immediately. We should keep this fact in mind and observe the rules as well as possible.

Mr. SMITH (Calgary West): I rise only because the minister said if I would keep quiet he would answer a question when he finished. I did my best to keep quiet, and my question is very simple. As I listened to the Prime Minister read the portion of what is known as the Campbell letter in which he advised the government with respect to the tabling of the Drew letter, and as I listened to the same portion being read by the minister, the effect of the advice given was that it would be either in bad taste or perhaps not good morals to table that letter in the House of Commons. As I heard it there was not a bit of legal advice in the letter. My question is this. The tabling or non-tabling of the letter was a matter for the government itself; and since when does the government take its advice on matters of good morals or good taste, or matters of policy, from a lawyer who advises them without one word by way of legal opinion in his letter? I want to make the distinction between Mr. Campbell's letter and the policy of the government, with which of course he had nothing whatever to do.

Mr. CLAXTON: My hon. friend has not put a question; he has made a statement. The letter is there; the statement of the Prime Minister is there. I venture to think that if you had employed counsel to assist in the work of a commission and a question of this kind arose involving questions of fact, appreciations of procedure, consideration of the conditions under which the commission proceeded and under which the information was made available, matters which were not within the personal knowledge of the Prime Minister, the proper course to follow would be to address such a letter and, if possible, abide by the answer given. That was the course followed.

Mr. SMITH (Calgary West): In short, Mr. Campbell directed government policy.

Mr. CLAXTON: He advised, and the government followed the advice.

The ACTING SPEAKER (Mr. Golding): Order. I must remind hon. members that the house is not in committee.

Mr. H. R. ARGUE (Wood Mountain): I rise to take part in this debate, Mr. Speaker, in order to call attention to what I think have been some failures in government policy, especially within the last year, as they affect our agriculture industry. Farmers, in order to be secure, must have stable prices for the things produced on the farm, prices bearing a fair relationship to the cost of the things the farmer must buy; farmers are interested also in any program that provides social security to Canadians generally, because they need social security very badly, since the agriculture industry is such a hazardous occupation.

I should like to refer for a moment to the proposals made by the federal government to the provinces with respect, first, to a taxation agreement and, second, to an agreement on social security measures. The history of those conferences is now well known. The initial conferences bogged down I think largely because of the attitude of the premiers of Ontario and Quebec, but finally the federal government offered the various provinces an agreement under which the individual provinces would abandon certain taxation fields and in return receive a stipulated yearly rental. I want to congratulate the government on the fact that it offered the provinces separate taxation agreements; but I also want

to point out that in my opinion it offered those agreements because it was very much concerned that the great corporations in Canada should not be doubly taxed, by the provincial governments and the federal government. But when it came to the matter of a social security program this government did not offer separate agreements to the provinces. If it had certainly the province of Saskatchewan, and I am sure other provinces, would have signed such an agreement to obtain social security benefits. If the premiers of Ontario and Quebec had not wished to sign such agreements initially, certainly their people would have forced them to sign eventually because all Canadians want provision made for better old age pensions and a health program.

The government proposed an old age pension of $30 a month to everyone reaching the age of seventy, and also proposed to go along with the provinces on an old age pension program for people between sixty-five and seventy, with a means test. Even with the small increase in benefits to old age pensioners provided last year the government has not come close to fulfilling its own old age pension program. Moreover the offer of the federal government in regard to a health plan was this, as set out on page 31 of the proposals of the government of Canada:

> The federal government's health insurance proposal is designed to put provincial governments in a financial position to develop and administer a comprehensive health insurance program worked out by progressive stages on an agreed basis.

And again, on pages 32 and 33:

> A complete health insurance service for all the people of Canada must obviously take a number of years to introduce. The cost to the federal and provincial governments would depend on the health benefits provided at any given time. For the full health insurance program when finally realized the total cost, for the population shown in the 1941 census and for benefits as shown in the table above—

I might explain that this includes all benefits in regard to hospitalization, medical care and so on.

> —would be $250,000,000 per annum. On this basis the federal government's share would be $150,000,000 and the provincial governments' share $100,000,000.

I wonder what has happened to that part of the government's proposal to the provinces. Saskatchewan, however, has not waited until the federal government got around to implementing this health program, which might be many years in the future. Instead, Saskatchewan is providing hospitalization; and I want to point out that if the federal government would do no more than offer separate agreements to the provinces on the basis of its own social security program, as it did on the basis of its taxation program, hospitalization would cost the people of Saskatchewan not $5 per person but $2. I think the people of Saskatchewan are looking to the hon. member for Rosthern (Mr. Tucker) to rise in this house and give his views on this matter.

Some days ago the Minister of Agriculture (Mr. Gardiner), dealing with present conditions with respect to agriculture, boasted that in 1946 agriculture had the highest net income in history. I think before he boasted about that high net income, which was $1,267,400,000, he should have told the house what that worked out to per farmer. I searched the statistics to find the number of male persons working on farms. I took the lowest figure for any year since 1941 which would give the highest average farm income and I found that on March 1, 1947, there were 930,000 adult males engaged in agriculture. That works out to an average yearly income of $1,363.

Not long ago the hon. member for Spadina (Mr. Croll)—I see him in his seat—outlined in the house the great difficulty which an average worker in the city of Toronto experienced trying to provide the necessities of life for his family on an income of $40 per week. I suggest that it is even more difficult for a farmer to provide the necessities of life for his family when his income works out to $26.20 per week, when in that figure is included the value of vegetables, meat and dairy products produced and consumed by the farmer and his family.

What the agricultural industry is interested in at the present time is not so much what happened in 1946 as what has happened since 1946 and the trend that has developed, particularly throughout 1947. Bureau of statistics figures give the index for Canadian farm product prices, on the base 1926 equals 100, as 114·4 in January 1947. At the same time the general wholesale price index was 114·2. In other words, in January of last year the prices of farm products were just a little above the general wholesale price index. In every month of 1947 the general wholesale price index increased and increased faster than the index of Canadian farm product prices until in December, 1947, the general wholesale price index was 143·5 as compared to the Canadian farm products price index of 130·7. At the beginning of 1947 the Canadian farm product prices index was ·2 above the general wholesale price index, but at the end of 1947 the index for Canadian farm product prices was 12·8 points less than the general wholesale level. I contend that the agricultural

industry suffered during each succeeding month of 1947 directly as a result of federal government policy.

I turn now to the government's wheat program. When the debate on the British wheat agreement took place the leader of the C.C.F. party (Mr. Coldwell) placed on *Hansard* the position of that party. He said that we had always believed in parity prices, that that was our policy in August, 1946, and I can say that it is still our policy today. He said that if the federal government would not give the farmers parity prices then they should do something else, and I quote from page 4825 of *Hansard* of August 15, 1946:

> I believe the government would be well advised to consider this suggestion that, in the event of the costs of production rising for the next few years, as they will do largely because of the government's failure to maintain the ceilings, any difference there may be between what the farmer receives for his wheat and the increased cost of production should be made up out of the consolidated revenue fund of Canada.

The parity price which was estimated at that time by the leader of the C.C.F. was $1.55 per bushel. Adjusting that price to the change in the general wholesale price index—I am told by a man in the bureau of statistics that the result obtained is almost identical with the result obtained at Washington with their intricate analysis of parity prices—makes it necessary to have a price of $2.03 per bushel for wheat at the end of 1947. Costs have gone up even since December, 1947. Therefore I suggest that the government should make a compensatory payment to take care of increased costs of production, which resulted directly from government policy, of at least 50 cents per bushel, to be in addition to whatever increased initial price for wheat is paid.

Speaking in the debate on the British contract the Minister of Agriculture stated that the parity price of wheat was $1.41 or $1.42 per bushel previous to the increase in the prices of farm machinery in 1946. If one takes that figure of $1.42 which the Minister of Agriculture said was fair, and adjusts it to the general wholesale price index prevailing at the end of 1947, he will find that the parity price would be $1.93 per bushel. The Minister of Agriculture is reported on page 4826 of *Hansard* of August 15, 1946, as follows:

> What I want to point out is that under the floor price measure—that is not the proper name, but it will do—we stated to the house that $200 million was being provided for the purpose of taking care of any adjustments in connection with what might be known as parity on other farm products. At the same time we stated to the house that similar arrangements would be made if necessary, through the wheat board, in connection with grain. I just want to point out that provision is made in another way.

The Minister of Agriculture stated to the house and to the country in 1946 that the federal government had already provided a basis for parity. There has not been parity in the past and there is no parity today. I suggest that even with the increased initial price, whatever it may be, the farmer will still not be receiving a parity price. We had scarcely returned home following the session last year when the Minister of Trade and Commerce stated that there was to be an increase in the initial price, but to date we have not been told what that increase is to be. Who does the government think owns the money with which they are going to provide that increase? The farmers want to know what that increase is going to be, what their participation certificates are going to be so that they can plan their production for 1948. It is just as much a secret as this Hong Kong affair. In this case it is the farmers' money that is involved, not the government's, and the farmers have a right to know how much money is to be paid on the initial price of wheat this spring.

Now I come to the government's coarse grain policy—or lack of it. Last year, during the months of August and September and for the first three weeks of October, the farmers throughout western Canada took their oats and barley to the local elevator and received the prices available at that time. On October 21, for reasons best known to the government, it decided to place oats and barley once again on the speculative market. Prices went up thirty cents a bushel on barley, perhaps even more, and many farmers lost as much as a thousand dollars. Farmers did not anticipate a loss, for on March 17 in the House of Commons the Minister of Agriculture said that if there was an increase in the price of oats and barley in the future the government would step in and take over all available stocks so that fortuitous profits would not be made by the handlers of feed grain. But having said that in March, in December last year he said he knew there was a lot of profiteering last fall by feed dealers in eastern Canada and by others, but he was not going to blame them for having done what they did.

Then the hon. member for Rosthern apparently did something about the government's coarse grain policy. He flew down to Ottawa, and the report is that he asked the government to compensate the farmers for their loss; for on November 24 the Regina *Leader-Post* carried this headline on the front page,

"Coarse grain loss to be made up". I will read the first paragraph of the article under that heading:

The dominion government will indemnify coarse grain producers against loss as a result of the lifting of coarse grain price ceilings October 21 and will take steps to see livestock producers are compensated for the increase in feed costs, Walter Tucker, M.P., Saskatchewan Liberal leader, and W. C. Woods, Kinistino, chairman of the caucus of Liberal provincial candidates, declared Sunday on their return from Ottawa.

This is the thirty-fifth day of the present session, and to date I have not heard the hon. member for Rosthern say in this house that he was doing anything to encourage his government to pay to the farmers complete compensation for the loss which resulted directly from government policy. Millions of dollars were lost by the farmers of western Canada just to put an equivalent number of millions of dollars in the hands of the feed grain dealers, the grain companies, the Winnipeg grain exchange and what have you. I say that the only solution now is for the government to pay complete compensation to the farmers and then obtain from the grain companies and the feed dealers as much of that loss as is possible.

After being smoked out on December 11, 1947, the Minister of Agriculture, speaking on the government's coarse grain policy at that time, informed the house and the farmers that there was still a mythical control on the price of coarse grains. At page 215 of *Hansard* of December 11, 1947, he said:

I am simply pointing out that the fact remains that controls are not off feed grains. The statement has been made over and over again that price controls have been taken off feed grains. The most effective price control on feed grains is the fact that there is an established value for wheat.

We saw how effective that price control was on oats and barley in the first part of this month, when the price of oats and barley on the Chicago board of trade dropped drastically within a few days, and the Winnipeg grain exchange followed the Chicago board of trade in that downward price path. The price of wheat had not changed but the speculators in Chicago were afraid, and the speculators in Winnipeg shared their fear, with the result that the highest price for No. 1 feed barley dropped from $1.27¼ during the week of February 2 to $1.07 on February 12, a drop of more than 20 cents in the price of barley within ten days. Yet the Minister of Agriculture had told the house that the most effective price control on coarse grains still remained. The truth is that there is no control. The truth is that when oats and barley prices drop 20 cents within a few days no farmer can plan his hog production or dairy production or, for that matter, the production of oats and barley on any sound basis.

But apparently the government has had a change of heart, or at least some people might think so: for on the order paper there is a government resolution, No. 14, to amend the wheat board act. The resolution reads that it is expedient to present a bill to amend the Canadian Wheat Board Act—

The ACTING SPEAKER: (Mr. Golding): Order. The hon. member should not refer to a resolution on the order paper.

Mr. ARGUE: I thank you, Mr. Speaker. The report is that the government will ask the house to empower it to place oats and barley in the same position as wheat. Mind you, I say empower it, but the government does not say that it is going to take oats and barley off the Winnipeg grain exchange. I think, Mr. Speaker, this resolution is a good political gesture at this time with an election in Saskatchewan in the offing in the not far distant future. But actually, judging by what has happened within the last twelve months, I doubt that the government will have the wheat board handle oats and barley on a permanent basis; for last year the Minister of Justice told the house that that would be quite unconstitutional and therefore the government could not then accept a C.C.F. amendment proposing what the government now says it may itself see fit to do.

Profiteering has been allowed to take place in oats and barley, and the members of this group were afraid that the same kind of policy might be followed in regard to meat. Speaking in the house on December 15 last I suggested to the government that if there was to be an increase in the price of pork or beef products the government should step in and take over all available stocks in the packer's hands to prevent the packing houses from making huge profits at the expense of the farmers and as a direct result of government policy. But that was not done. Shortly after the first of the year the price of bacon in the British contract was increased and increases also took place in beef prices. The packing houses had in stock on December 1, 1947, according to an article in the press, huge quantities of meat. Mr. John Lenglet, research director, United Packinghouse Workers, writing in one of the western papers, said this:

Now with meat prices skyrocketing, the packers stand to make an exorbitant profit, and the farmers are left "holding the bag."

After removal of controls on feed grain, doubling the price of coarse grains, a price in-

crease to the farmer is certainly due. But the increased price will not be of much help to the farmer.

According to reports from the dominion bureau of statistics, 110 million pounds of meat were in storage on December 1, 1947. Estimating the average increase in meat prices at ten cents a pound, the packers made an inventory gain of $11,000,000.

I would point out that that amount is not subject to taxation by the federal government or by anyone else.

Mr. GIBSON (Comox-Alberni): Why not?

Mr. ARGUE: The hon. member has been in business long enough to know that. Surely I do not have to explain simple accounting to the hon. member for Comox-Alberni.

Mr. GIBSON (Comox-Alberni): The hon. member has never been in business or he would know better than that.

Mr. ARGUE: In reply to the accusation that the packing houses had made $11,000,000 profit, J. S. McLean was reported in the *Globe and Mail* of January 8 as admitting that the packers made $2,700,000 on the increased price of pork alone.

Mr. THATCHER: If he admitted that, they made twice as much.

Mr. ARGUE: Certainly. I suggest, Mr. Speaker, that huge profits have been made by feed dealers and the packing houses at the expense of the farmers directly as the result of government policy. I can only assume this, that by some means the packing houses and the feed dealers, to obtain information, had a pipeline to the very government that inaugurated these price changes.

I now turn to what has happened to the bacon and hog industry in Canada during the last eighteen months. In 1946 we were debating the British contracts for bacon, and the Minister of Agriculture at that time outlined the contracts made for the years 1946, 1947 and 1948. In 1946 we were to supply Britain with 325 million pounds; and in 1947, 350 million pounds and in 1948, 400 million pounds. The Minister of Agriculture said this, and I quote from page 4779 of *Hansard* of August 14, 1946:

> The contract for the last two years has been a contract calling for the delivery of at least 450 million pounds. In one of those years we delivered more than that amount; in one year I think we delivered almost that amount, and this year we are not hopeful of being able to deliver that amount.
>
> Under the contract entered into we have agreed to a reduction in the quantity that we are required to deliver to at least 350 million pounds. In 1948 we have agreed to attempt to deliver 400 million pounds. In other words we believe that we can increase deliveries in 1948 over the deliveries in 1947 and therefore we have entered into a contract under which we agree to deliver a greater quantity in 1948 than in 1947.

Just last month the Minister of Agriculture announced that the new contract for 1948 would not be for 400 million pounds of bacon but for only 195 million pounds. Therefore, Mr. Speaker, the Minister of Agriculture did not reach even half of his objective. On August 14 he said this, and again I think this should be emphasized:

> We have attempted to avoid giving wrong information to the British as to what food would be supplied or could be supplied from year to year. Then we have written into the contracts the highest quantities that we felt sure we could deliver to the British.

Eighteen months ago the Minister of Agriculture said: "We feel sure we shall be able to deliver 400 million pounds in 1948". In the first part of 1948 he said: "We shall attempt to deliver 195 million pounds". We are in the same position in the British market now, Mr. Speaker, as we were before the war when in 1939 we actually delivered 186·5 million pounds; and if the Danish people keep on increasing their exports to Britain, as the minister said they would, then in 1948 the Danish volume of bacon going into the British market will equal the Canadian in spite of the fact that in the year 1944 Canada delivered to Britain 692·3 million pounds of bacon as compared with no bacon at all coming from Denmark to the British market.

I should like to say a word in respect to the government's policy in regard to beef.

Mr. THATCHER: What policy?

Mr. ARGUE: The government has said to the farmers and beef producers: "We are not going to let you sell your beef to the United States". The Minister of Agriculture stated in the House of Commons this year what the government's policy would be, and he said this, as reported at page 804 of *Hansard,* February 3, 1948:

> And that is the objective of government policy, to put our beef back on the United States market, at a time when the price levels of the two countries make this possible without upsetting the whole program which was put into effect by the government during the war.

He is saying to the beef producer: "You cannot get the high prices of the United States at the present time, but as soon as the United States price level comes down to ours we shall be glad to let you have the low prices".

The farmers are also perturbed about the vast increase in farm implement prices. Farm machinery was allowed to increase through

the change in the price ceiling to the amount of 12½ per cent in 1946. Just last fall the price for a Cockshutt "80" tractor was increased by 31 per cent; a Massey-Harris 10-foot self-propelled combine was increased by 21½ per cent, and a Massey-Harris 6-foot one way on rubber was increased by 17 per cent, a huge increase in farm implement prices during the past year in addition to the 12½ per cent increase in 1946. But the Secretary of State for External Affairs (Mr. St. Laurent), speaking in the house on February 2, 1948 at page 773 of *Hansard* said:

> There were some things which actually remained under ceilings, such as the prices of primary iron and steel products and tin. Those controls did in fact put an effective brake on the prices of implements and other important supplies required by some of our primary industries such as farming, forest operations and mining.

I was interested to note, Mr. Speaker, that before this session opened in December the Secretary of State for External Affairs had made a speech in Winnipeg; but in the light of what he said about farm implement prices I would suggest that he should have gone a bit farther west and addressed a few farm audiences, and I doubt very much whether he would have made the statement that he made in the house some days ago.

Mr. PROBE: What does he know about farming?

Mr. ARGUE: I regret that the government has not seen fit to provide a scheme of adequate crop failure insurance. The members of the C.C.F. party believe the benefits under the Prairie Farm Assistance Act should be increased to at least $6 an acre, and that the benefits should be paid out on an individual basis. Apparently the Liberal party has not got a policy in respect of the Prairie Farm Assistance Act; for in the legislature in Regina last year G. H. Danielson, Liberal, Arm River, moved a motion asking the federal government to amend section 7 (b) of the Prairie Farm Assistance Act—

> —to provide that farmers, resident in an ineligible township which is adjacent to an eligible township and whose average yield of wheat is eight bushels or less per acre, shall be entitled to the benefits of the act.

The opposition in Regina say, "We want the P.F.A.A. on an individual basis", but the government at Ottawa, of the same political stripe as the opposition in Regina, is doing nothing to provide crop insurance payments under the P.F.A.A. on an individual basis.

In conclusion, I would like to say this. The farmers of Canada are very much concerned over what has come out of Ottawa within the last year in the way of government policy affecting agriculture, and they feel that today they are facing the future in a worse position than they did one year ago. Accordingly they criticize the government, I believe, on the following grounds.

The government has: 1. Failed to implement its social security program to provide: (a) universal old age pensions at the age of seventy without a means test, paid solely from the federal treasury; (b) a comprehensive health insurance plan, 60 per cent of the cost to be paid by the federal treasury. Had the federal government implemented its own health proposals, the cost of hospitalization for the people of Saskatchewan could have been reduced from a $5 per capita tax to $2.

2. Failed to provide a parity price for wheat and to prevent an inflationary rise in the farmer's costs of production.

3. Failed to carry out, as stated by the Minister of Agriculture in the House of Commons on March 17, 1947, the government's policy to prevent profiteering in coarse grains.

4. Failed to compensate farmers for the large losses sustained as a result of the government's placing of oats and barley on the Winnipeg grain exchange—this failure in spite of the hon. member for Rosthern's announcement that the dominion government would indemnify coarse grain producers against loss.

5. Failed to maintain the British market for bacon by crippling hog production through its coarse-grain policy to the extent that the 1948 contract was reduced from 400 million pounds to 195 million pounds.

6. Failed to implement an adequate marketing policy for beef.

7. Failed to effectively control prices of farm machinery, in spite of the minister of external affairs' statement to the contrary.

8. Failed to provide farmers with adequate crop failure insurance on an individual basis.

The present session is now thirty-five days old, and the people of Saskatchewan, particularly the farmers of Saskatchewan, are looking to the member for Rosthern to stand up in his place and say what he thinks of these particular actions of the federal government within the last year.

Mr. ROBERT FAIR (Battle River): Mr. Speaker, before proceeding with what I had intended to say this afternoon, I wish to commend the hon. member for Athabaska (Mr. Dechene) for the stand he has taken in connection with the best province of Canada, the province from which I come—Alberta. The hon. member told us about many of the good things in that province and asked for the co-operation of those of us in this group.

I wish to tell him that he has had that co-operation ever since we came here, so long as it was in the interests of the people of Alberta.

The government of Alberta has passed legislation to bring about the good things for everyone in that province which the province is capable of producing. It has passed legislation to that end, and the hon. member for Athabaska, instead of seeking our co-operation, should seek the co-operation of the government with which he is associated and see to it that Alberta legislation which does not encroach upon the rights and privileges of other provinces shall be put into operation.

I am glad also to co-operate with the member for Athabaska in inviting the Minister of Reconstruction and Supply to bring to our province some more industries. Let me inform the member for Athabaska that the government of Alberta, up to the present time, of its own accord has brought several new industries into the province, and now in turn I ask for the wholehearted co-operation of the hon. gentleman. I hope I shall receive it.

Since coming back here on January 26 we have been playing a game of leapfrog with the different matters before the house. We have been dealing with emergency legislation, foreign exchange conservation, the speech from the throne, the farm improvement loans act, and some other matters as well, and we have also discussed the setting up of the committee to investigate the causes of the recent increase in the cost of living. In my opinion that committee has a big job to do, and I believe it has been working steadily since it began its investigation some days ago. At present it is investigating bread prices. I shall have something more to say a little later on with reference to bread.

About eight other items have been named for investigation, but I do not think the committee should stop there, because the things it is investigating are not really the main items in the increasing cost of living. I have here an item with reference to shoes, for example—shoes for the whole family and particularly ladies' shoes. If we look at the store windows and notice the price tags on shoes for ladies, we shall find that a shoe consisting of a sole, a heel and a couple of straps may be priced at $15 or $20. That I believe can very well stand investigation, and the same applies to shoes for all other members of the family. Clothing prices could also stand investigation, and when the committee in considering prices it should also consider the quality offered at the present time. The committee should also deal with another question, one in which the dominion government is vitally interested, and that is the amount of taxation that goes into the prices of things the people have to buy in order to live.

We have particular objection to many of the nuisance taxes included in the prices of the things we have to buy, and also the recently imposed 25 per cent excise tax.

There are many subjects that should be discussed, and as we are allowed only forty minutes I shall have to wait until another time to take them up. If the time permitted I should like to deal with health, education, old age pensions, returned veterans treatment, the soldier settlers of world war I, and many other questions, but these will have to wait because I want to deal today particularly with the basic industry of Canada, agriculture.

There are not as many people on the land as there should be, and there must be some fundamental reason for that. We find that people on the land have to work many more hours than they would if they were working in towns or cities. They have to do without many of the comforts that are obtained in towns and cities and their remuneration for the work they do on the land is much below that received by people in towns and cities.

I feel that the farmers, first of all, should have good houses in which to live. They should have many of the modern conveniences found in towns and cities, and yet a very small percentage of the homes across Canada are equipped with these things; whereas, when we look at the standard of living of those who handle the produce of the farmers after it leaves their hands, we find they are enjoying all the comforts of life. So I think something must be done to bring the standard of living of the farmers up to a proper level in order that our basic industry may be much better off than it is at the present time. By this I do not mean that the farmers should have all of the good things of life, because when we go to town or to the city to buy our goods we want the people there—the clerks and others—to be well dressed, to have a good home in which to live and to have a good standard of living. That will bring about a much better feeling among the people, and this is necessary if we are to have the conditions which this country should enjoy.

During the war years I am quite satisfied that the farmers did more than their share in producing goods for the people of our own country as well as for export to peoples of other countries, and in supplying the necessities of war. I see that the Minister of Agriculture (Mr. Gardiner) is in his place. In the Ottawa *Citizen* of February 24 I find

a report of a farm forum meeting which he attended at Billings Bridge, which reads in part as follows:

The minister lauded Canadian farmers generally for their quick response to government needs during the war years. He said that at the outset of war the emphasis was placed upon the production of livestock and farmers were asked to convert ten million acres of land to the production of feed for that purpose. At the end of the war when Europe's need for wheat and other cereal foods became so urgent the farmers were asked to change over again. "Farmers from one end of this country to the other responded splendidly," Mr. Gardiner said, "and went through two complete change-overs within a space of a very few years."

A little farther along in the report I find the following:

Farmers wanted price and wage controls during the war years and for that reason were content to receive lower prices for their produce than farmers in the United States were receiving. They did, however, want in return "floor" prices to take care of the possibility of lower United States prices later on. "We may now be approaching the point where United States prices will pass ours on the way down," the minister declared.

I am not sure that the farmers were the first to demand wage control and price control. Those things were forced upon the farmers and they had nothing to do but accept them with the understanding that if they accepted low prices during the earlier years of the war they would be compensated when the war is over.

Perhaps I should go back a short way in dealing with our wheat policy; I find that is necessary in order to justify my argument. Going back to 1935, when this government was first elected, we find that the initial price of wheat was 87½ cents per bushel. A little later it came down to 80 cents, and the wheat board was to operate provided wheat went below that particular price. Still later we had legislation brought into this house providing for an initial payment of 60 cents a bushel. But about that time we adjourned for the Easter recess, and when we came back the government brought in amended legislation providing for a payment of 70 cents a bushel; and on that basis we had our initial price paid until August 1, 1942—as the house will remember, that was almost three years after the outbreak of war. In 1942 we had our price brought up to 90 cents a bushel after four hundred farmers and their friends came to Ottawa looking for dollar wheat. The government did not quite accede to their request, but they did bring the price up to 90 cents a bushel. In 1943 we had that initial price increased to $1.25 per bushel, and it stayed there until September, 1945, when another new program was brought into effect. This program, among other things, controlled the selling price of Canadian wheat. I wish to read from *Hansard* of September 18, 1945, at page 289. This is part of a statement made by the then Minister of Trade and Commerce (Mr. MacKinnon):

It is in the interest of Canada and of Canadian wheat growers that the importing countries should continue to obtain Canadian wheat at prices not in excess of those prevailing at the end of hostilities. Accordingly the government, by order in council, has instructed the Canadian wheat board to offer wheat for sale for export overseas at prices not higher than the current export price of $1.55 per bushel, basis No. 1, northern, in store Fort William/Port Arthur or Vancouver.

In asking Canadian producers to forgo such benefits as might be realized in the short run through higher export prices, the government recognizes the paramount need for relative stability of income to wheat producers. Toward this end, the government undertakes that in the five-year period ending July 31, 1950, producers will receive not less than $1 per bushel, basis No. 1 northern, in store Fort William/Port Arthur or Vancouver on the authorized deliveries for each crop year. For the balance of the 1945-46 crop year, at least, the Canadian wheat board initial advance will continue at $1.25, where it was set two years ago. By providing a long-term floor price of not less than $1 the government will protect producers against the consequences of any sharp reversal in the world wheat position during the next five-year period.

I shall read one more paragraph a little farther down, which shows that the government, through the Minister of Trade and Commerce, recognized that there was a moral obligation. The statement goes on as follows:

Any further increase in wheat prices now would aggravate the problems of economic and political readjustment of the liberated areas to Canada's detriment in future trade with those areas. There is a moral obligation not to take advantage of our recent allies in their time of compelling need.

I do not think that there is any argument whatever about the moral obligation which has been accepted by the dominion government and then forced upon the prairie farmers who grew the wheat to make good the government contract. In 1946 we had the British wheat agreement entered into by this government. Under that agreement the Canadian government, not the Canadian farmers, agreed to deliver to Britain a total of 600 million bushels out of the crops of 1946, 1947, 1948 and 1949. For the first year of the contract, 1946, they agreed to deliver 160 million bushels at a definite price of $1.55 per bushel; they agreed to the same quantity and price for the 1947 crop; for the 1948 crop they agreed to deliver 140 million bushels at a price not

below $1.25 per bushel, and for the last year of the contract—that is, 1949—they agreed to deliver another 140 million bushels at a price not below $1 per bushel. At the present time negotiations have been concluded as a result of which the British government has agreed to pay $2 per bushel for the next crop—that is, for the 1948 crop. We do not know what the 1949 crop will bring, because that price has yet to be negotiated. At the time this agreement was entered into those of us in this group protested strongly against the $1.35 initial payment that had been offered by the government for the five year period, 1945 to 1949 crops, inclusive. We took the stand that the initial price should be at least $1.55 a bushel, with further interim and final payments made at a later date. Of course we did not get that at the time; the guessing on the part of the government was not good enough.

By the British wheat agreement the farmers of the west have lost a great deal of money. Again I want to emphasize the fact that we in this group were not opposed to Great Britain getting cheap wheat, but we do object strenuously now, as we have in the past, to the prairie farmers who grew and delivered that wheat having to stand all the loss under the contract. The government was not content to have us subsidize all the consumers of Canada by giving them cheap bread through supplying wheat to the millers for 77⅞ cents a bushel for a time, then later for $1.25 and at present for $1.55. They were not satisfied with our wheat being sold for a time in all export markets of the world at the ceiling price of $1.55. Now we have to subsidize the people of Britain. Again we would not object if all Canada were participating in that subsidizing, but we do object very strenuously to the prairie farmers doing it all.

We have been told that no one can figure the loss on the British contract until the end of the 1949 crop year. I do not profess to be a prophet, but many people are keeping track of the losses up to the present time. The figures I am about to use are taken from page 1 of the letter of the Searle Grain Company dated January 21, 1948, under the heading "Cash losses to farmers". This is what it says:

(1) From August 1, 1946, to December 31, 1947, a period of seventeen months, the loss taken by our wheat growers on the wheat they have delivered to country elevators comes to the following staggering sums, all as compared with what farmers would have received had they enjoyed the full world price set daily by the Canadian wheat board itself for class 2 wheat:

(a) On the wheat hauled by farmers and intended for shipment to Britain, 296 million dollars.

(b) On the wheat hauled by farmers and intended for domestic consumption in Canada, 152 million dollars.

A grand total of 448 million dollars lost by prairie farmers in seventeen months; a loss equal to more than the value of one whole prairie wheat crop; a loss equal to the entire dominion receipts from all forms of taxation in the year 1938; a loss which averages $1,900 for each prairie wheat-growing family, and with the losses still increasing greatly day by day.

It will be remembered, too, that prior to the start of the wheat agreement August 1, 1946, the government had marketed our farmers' wheat for several years at less than the world price. These losses to farmers for the years 1943, 1944 and 1945, come to an additional 409 million dollars.

Mr. GARDINER: From his own experience with farmers in his community does the hon. gentleman think anyone can show that those farmers lost an average of $1,900 each over the period of time he is dealing with?

Mr. FAIR: I do not claim that the loss can be stated definitely until the end of the contract period, which is July 31, 1950; but the figures I have quoted from the letter of the Searle Grain Company take into account all the losses sustained up to the present time. Future wheat prices will determine whether or not that loss will be reduced. Once more I want to say that if all the people of Canada were footing the bill it would not be quite so bad, but when you have the farmers of three provinces and a small portion of another footing the bill, I do not think it is right. Perhaps the Prime Minister, the Minister of Agriculture or the Minister of Trade and Commerce would tell us some day why this injustice has been put over on the farmers.

Then in connection with our coarse grain policy, it is recognized that the ceiling prices of coarse grains have been tied to the price of wheat. In my opinion this should not be done, either, because again the farmers are footing the bill instead of the whole country paying the loss. In connection with the delivery of oats and barley from August 1 to October 21 of last year, I feel that the government was responsible for that situation. The farmers did exactly what they had been forced to do, and I think they should be compensated by the government for the government's blunder. Then we have the question of hog and cattle prices, which I think hon. members will agree also have been tied to the price of coarse grains. Here again the farmers of Canada have been standing quite a loss. I make that statement because, as I said before, prices of cattle and hogs have been tied to the price of coarse grains, and coarse grains

have been under ceiling prices most of the time since the beginning of the war. The farmers should not be compelled to accept all these losses.

Finally, Mr. Speaker, before you call it six o'clock, I want to make it clear that there is a guaranteed floor available to the packing plants of this country, but there is not a similar guaranteed floor made available to the producers of cattle or hogs.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. FAIR: Mr. Speaker, when the house took recess for dinner at six o'clock I was dealing with the prices of cattle and hogs and the losses sustained by farmers on those prices. I am wondering how I could get the total of those losses. I am not sure whether it could be done very accurately. In the earlier part of my remarks I stated that we had been promised by the government that if we accepted lower prices during the early years of the war we would be compensated when the war was over. We are still waiting for that compensation. Up to the present time the farmers have supplied the money for their own stabilization policy and as far as we can find out it is the intention of the government to have the farmers continue to supply the money necessary for the stabilization of the agricultural industry. I say that is not fair when we take into account the losses suffered by farmers during the years 1930 to 1939, and particularly the losses sustained by farmers because of the prices they were compelled to accept for their produce after the outbreak of war.

We are told from time to time that in the near future we may expect lower prices. This is not just the opinion of people in western Canada; it is an opinion that is expressed also by people in eastern Canada. The following article appeared in the Ottawa *Citizen* of February 20, under the heading, "See prices drop when consumption equals production":

> "When production catches up with consumption, prices will inevitably fall, even under the most favourable international agreements, to a competitive level. The law of supply and demand, no matter what price agreement or other institution we set up, will always influence trade. In other words, present farm-product export prices cannot be maintained. When they fall . . . they will carry domestic prices down with them to a comparative level."

This was the warning which H. S. Arkell gave yesterday in his address to the Carleton county federation of agriculture at its annual meeting in the normal school assembly hall.

Mr. Arkell, former dominion live stock husbandman, called for a balanced economy under a national policy in pointing out that farm costs were out of line with farm income with Canadian farmers continuing to subsidize competition on the world market. Agriculture in the dominion was taking less for its products than the world price.

The prices of farm products are always the first to drop, and yet we find that the cost of production is going up. I should like to quote certain prices which appear in the February issue of *U.F.C. Information*. Previous prices are shown in brackets:

Cockshutt 80 tractor complete $2,258.00 ($1.703.90).

Cockshutt 6-foot tiller, 11 blades, on rubber $605.00 ($545.00).

Cockshutt 12-foot self-propelled combine, complete $3,843.00 ($3,458.85).

Massey-Harris 10-foot self-propelled combine, less cleaner $3,328.75 ($2,739.00).

Massey-Harris 14-foot self-propelled combine less cleaner and lights $3,791.90 ($3,379.55).

Massey-Harris 44 tractor on rubber, $1,992.75 ($1,784.75).

Those increases average 15·1 per cent. We find that the cost of every other item the farmer has to buy in order to carry on production has also increased, and there are prospects of further increases.

What protection do we get? On Tuesday we were discussing an amendment to the Farm Improvement Loans Act, 1944. That act provides for the granting of credit to enable farmers to get into debt to the banks, and it also gives the banks the right to mortgage the farm in respect of which loans are extended. It may also take an assignment of interest rights from the farmer in the form of an agreement of sale. Some people regret that more loans have not been taken under that legislation, but my regret is that any loans have been necessary. It would have been much better had the government seen fit to put into operation a policy for agriculture that would do away with the need of farmers going to banks or mortgage institutions as they have had to do in the past. Agriculture should be able to stand on its own feet without having to mortgage itself over and over in order to carry on.

Then we also have the Agricultural Prices Support Act, which is held out by many as being something worthwhile for the farming industry. In my opinion the prices that may be set or that have been set under that act are not set on a sound basis because they are figured on prices that existed during the

years 1926 to 1929 when our farmers, who made up one-third of the population of Canada, received only 16·6 per cent of the national income. It is plain to be seen that price support on that basis will not meet the needs of the farmers. Besides that, it is effective only during the transitional period and may be wiped off the statute book at any time.

This year we were given a simplified income tax form which I am sure the farmers will feel is quite an accomplishment for the government. It is a six-page form, and it will give many farmers a headache. I am not objecting so much to some parts of the form; what I do object to is page 5. It would be impossible for a farmer to give accurately the information asked for there. He is asked to give his assets at the end of December, 1946, and at the end of December, 1947. As farmers do not keep proper records, it is impossible to give that information.

We have been told in the past that in the near future we will be paid an interim payment on the 1945, 1946 and 1947 crops. At one time it was estimated that the payment would be 20 cents per bushel, but not very many months ago the present Minister of Fisheries (Mr. MacKinnon) was in Alberta and he gave the people there to understand that it would be much higher than 20 cents. Some people have the idea that it will be 30 cents, while others believe it will be 40 cents. In my opinion there is nothing in the world to prevent a payment of that size. Again, because the government want the farmers to build up a stabilization fund they will perhaps give us 20 cents a bushel. The farmers need this money badly, because in many parts of my province farmers were hailed out eight times in the one district during the season. They were also subject to drought, and in the harvesting season there was as much as ten inches of moisture which made it difficult for farming operations to be carried on. I would like legislation to be put on the statute book that would ensure these payments at an early date.

As it is now, the farmers are compelled to wait five years for some of their wheat money. For the wheat they delivered in 1945 they will have to wait until 1950 or 1951, to receive the balance due, and in the meantime many of them are paying six and seven and eight per cent interest on debt which should be taken care of by the wheat payments.

If the government is to carry out its promise we should have a wheat board, first of all to handle all grain; and should also pay losses to the farmers on subsidized wheat, coarse grains and livestock. By that I mean that the government should take from the consolidated revenue fund and place in the wheat board fund an amount equal to the difference between the price the farmers received on delivering their grain and the price they would have received had they been permitted to sell at world prices. That may be challenged but it is the only fair way of handling the matter. If it is found during the period the agreement has yet to run that the farmers experience a loss, that loss could be made good from the wheat board fund. At the present time we have no stabilization legislation on the statute book. It is true we have contracts with Britain for beef and pork and other products up to the end of 1948, but after July 1950 we have no guarantee whatsoever of any kind of stabilization for agriculture. So in my opinion we should have price stabilization permanently by legislation. The legislation should also include a formula that would guarantee to the farmers a fair price for their products.

The prairie farm assistance legislation should be amended so that claims would be paid on an individual farm basis. We are all agreed that a farmer's success in getting crops is dependent almost entirely on the moisture he gets. The showers make no dividing line when they fall. They may fall in one township and not in another, and it is not fair to have a settlement made on the present basis. I would strongly urge therefore that the act be amended accordingly.

Some people may wonder where all the money is to come from to do these things. In conclusion I have only to suggest once again to the government that they get down to a sane system of financing the country's business. Cut out a lot of interest payments that are now being made. Cut out further borrowing from the chartered banks and have money issued direct by the Bank of Canada. In that way you can give for the first time in the history of Canada a square deal to Canadians as a whole and to agriculture in particular.

Mr. LIONEL BERTRAND (Terrebonne): Mr. Speaker, at this stage of the debate I wish to present both to the government and to parliament a suggestion in which I as federal member for Terrebonne, and I believe other members of this house, are greatly interested, and that is the creation of a department of tourist travel. The hon. member for Lambton West (Mr. Murphy) referred to this very briefly ten days ago, and I heartily agree with what he said.

I believe that my constituency has very special reasons to lead the way in this respect. Terrebonne county has witnessed several his-

torical developments, and has been, of all regions in Canada, a tourists' land of election. Members from the Rocky mountains, northern Ontario or the maritimes may claim for their respective districts unexcelled natural beauties, but I dare say that mine is the most favoured resort not just for a short time or a brief season but the whole year round.

Terrebonne county forms a narrow stretch of land extending from a point only ten miles north of Montreal, seventy-five miles northward along its natural backbone, highway No. 11, running toward Mont Laurier and the Abitibi district. Situated in the heart of the most highly developed region in Canada, it has been well named the Canadian Switzerland.

Summer residents, 100,000 strong, coming from Montreal, Quebec, Ontario and from different parts of Canada and the United States, boost the normal population of 60,000 inhabitants. Numerous lakes and rivers, splendid scenery and many summer sports charm the thousands of temporary residents and visitors. In wintertime, thousands of others indulge in such seasonal sports as skiing, tobogganing, sleigh-riding, dog sleigh trips, skating, and so forth. Important ski events, such as the Taschereau and Kandahar competitions, bring thousands of spectators to the slopes of stately Mont Tremblant and to Mont Tremblant lodge. During the summer, thousands of Canadian and United States tourists indulge in fishing, their favourite sport. The Gray Rocks inn, at St. Jovite, a tourist centre well known throughout the North American continent, is perhaps the best organized of all so far as fishing is concerned. In addition to summer and winter sports, the inn operates an air transport service. Gray Rocks inn has a booth at the Dorval airport and United States tourists can travel directly from Dorval to St. Jovite, a distance of seventy miles from Montreal by air. From Gray Rocks inn, tourists can travel by air to well kept camps operated by the hotel in the north country at distances varying between fifteen and seventy-five miles from the inn. There tourists can rely on guides and cooks, obtain first-class service at a moderate cost, and they may fish red trout weighing two, three and four pounds in solitary lakes and rivers. Several distinguished United States newspapermen have published fascinating accounts of such trips. Last year *Look* gave us a splendid article on that part of the country, where moose hunting is especially recommended in the fall.

Who does not know, at least by name, the district's main hotels of long-standing reputation? To mention only those of the Laurentian Resorts Association, listed monthly in the *Montrealer,* as well as a few other establishments of repute, there is Mont Tremblant Lodge at lake Tremblant, famed for its chair ski-tow, the only one in the country, where people ski until May on the mountain slopes facing away from the sun; also at lake Tremblant is the Manoir Pinoteau, while St. Jovite has the Grey Rocks inn; Ste. Agathe des Monts, the Laurentide inn; Val David, la Sapiniere; Ste. Adele, the Ste. Adele Lodge and the Chanteclerc; Ste. Marguerite station, the Alpine inn; Ste. Marguerite, the Chalet Cochand and the Esterel; St. Sauveur des Monts, the Nymark lodge; Piedmont, the Mount Gabriel; Shawbridge, the Maple Leaf; and St. Jerome, the hotels Maurice and Lapointe. Many other inns and hotels, mostly members of an association, are located in those towns and villages and in other spots well known to tourists, such as Brebeuf, Mont Tremblant, St. Faustin, Lac Superieur, Ivry sur le Lac, Ste. Lucie, Val Morin, St. Hippolyte, and so forth.

It is a section of the province well known to all Quebec members; for many of them spend most of the summer in those parts. At least ten cabinet ministers have often taken holidays there, while many senators have owned or still own a summer home in the Laurentians. In winter, moreover, several members from the neighbouring provinces, here for the session, spend enjoyable weekends skiing in that district. To all members I issue an invitation to visit my constituency. They will be delighted with it and with the open-hearted hospitality of my constituents.

The hon. member for Mackenzie (Mr. Nicholson) made the following remarks in this house on February 5 last, as reported at page 913 of *Hansard*:

> In one of the Ottawa papers of January 23 I read of a winter hotel at Ste. Marguerite, Quebec, having been destroyed by fire, a hotel that cost over $600,000. What was that hotel for? Was it for veterans of the war? Was it for old people in Quebec who have worked so hard to produce food and commodities? No; it was for the skiers. It was for people who want to go to that beautiful part of the world for a holiday, and in normal times it is all right for people to have holidays in such lodges. But it is not in the interests of the public, when building materials are short, when carpenters are in demand everywhere, to put up a building of this kind costing $600,000 in the Laurentians for a few rich people who want to have holidays there, winter and summer, especially when there are so many veterans in Canada who have not yet been able to get homes for themselves.

Ste. Marguerite, a very popular tourist resort, is in my constituency. The Chalet Cochand, the Alpine Inn, owned by the Mount Royal Hotel, and the Domain d'Esterel are familiar names. It may be that the hon.

member's remarks make sense if you look at only one side of the question, but looking at both sides he must admit that such tourist hotels are essentially helpful to our economy. I do not know whether the hon. member's is an agricultural constituency; as for mine, in its central and northern parts it is made up of rocks, mountains, ravines, lakes and rivers. I still have the greatest admiration for those early settlers and those present-day farmers who have courage enough to till such poor land. In my own county, as in the constituencies of Montcalm, Labelle and Argenteuil, the tourist industry is providing thousands of people with a livelihood: taxi owners, instructors of all kinds, cooks and hotel staff, accountants, carpenters, journeymen, painters, store clerks, and so forth. Thousands of farmers, too far removed from the great centres, depend exclusively on the tourist industry for the orderly marketing of their products. While the tourist hostels swarm with United States guests, they garner United States dollars, which is quite agreeable to the Minister of Finance at this time.

The tourist industry is a big business. I believe it ranks second only to agriculture, Canada's major industry. In 1947, United States travellers spent some $270 million in this country. But how many more millions have been spent on travel by Canadians? The exact amount expended by our own people on summer cottages, holidays and pleasure trips, is quite impossible to estimate. This winter, the number of United States tourists in Canada fell off twenty to thirty per cent. This is a point I wish to emphasize. I wonder whether the government-sponsored austerity program did not have something to do with this reduction. I feel that the $150 yearly limit on the amount of money a Canadian may spend in the United States is hardly conducive to attract United States tourists to this country.

The tourist industry has developed at a tremendous pace in Canada. Various moves and representations are being made to ask for more comprehensive action in this field. A short time ago, an appeal on behalf of United States tourists was made by the Canadian junior board of trade. It was immediately endorsed by the Montreal tourist and convention bureau. As far as my district is concerned, the Laurentian resorts association and the Provincial Transport Company have conducted a noteworthy publicity campaign through the press and on the screen.

Is the government doing enough? Has the Canadian government travel bureau sufficient funds for carrying out truly efficient work? The United States have winter as well as summer tourist activities, but the United States people have a natural sympathy for our country. The snow here is more plentiful and the air more invigorating. Canadian dishes are attractive and the hospitality of this country is hearty. The St. Lawrence river, our great lakes, our streams, our forests, and the Canadian scenery hold unsurpassed attractiveness. Fish and game are abundant. I therefore maintain that the creation of a department of tourist travel is imperative, because the tourist trade is a source of income for the dominion and the provinces and it gives a living to many thousand people the whole year long. The tourist trade is the best asset for the national employment service. Of course the Canadian government travel bureau is doing interesting work. The advertising it does in United States newspapers and magazines is valuable. Its publications, such as *Rod and Reel* in Canada, for instance, are among the best and the most suggestive I have ever seen. Its director, Mr. Leo Dolan, is carrying out intelligent work, but in my opinion he has not at his disposal enough funds to give the tourist trade the necessary impetus.

The functions of a department of tourist travel might be: (a) to promote through nation-wide publicity, the tourist trade in Canada, and with the co-operation of the provinces, to draw attention to the tourist resources of each of the latter; (b) with the assistance of the national film board to prepare a series of films on the Canadian tourist attractions, and to release such films widely in Canada and in the United States.

Mr. FRASER: I hope they give them proper direction so that they will know what they are doing.

Mr. BERTRAND (Terrebonne): I continue with the suggestions: (c) grants to municipalities within the tourist districts for the construction and improvement of municipal roads likely to develop the tourist industry; (d) special grants to all soundly established bona fide tourist organizations of recognized merit, assisting them in their publicity, in the maintenance of their town planning committees, winter roads, and so on; (e) adoption, in co-operation with the provinces, of national laws for the protection of fish and game; (f) establishment, with the assistance of the provinces, of national schools of hostelry, for the training of competent chefs and qualified inn employees, as in Switzerland and in France; (g) annual trophies for various sports championships or the promotion of the best tourist centre; (h) a sports column, regularly pub-

lished in all the country's newspapers, as information, occasionally backed by attractive and practical advertisements.

Many more suggestions could be added here. No doubt the government will say it cannot possibly adopt such a wide program at this time. Nevertheless this project is urgent. Why not establish, at this session, a special committee of the house to look into all aspects of the tourist industry? Such a committee could this very year make useful and practical suggestions to the government. For this year the hon. the Minister of Public Works (Mr. Fournier) might be authorized to spend a few millions of dollars for the construction and improvement of so-called tourist highways. Perhaps someone will remind me that highways are under provincial jurisdiction and that provincial autonomy should not be interfered with. In my opinion nothing should prevent the dominion government from spending, in municipalities expressing such a desire, and exclusively for tourist purposes, money which would be used for the improvement of municipal roads and would thus foster general development and progress.

To wait longer, to remain inactive as regards the tourist trade, would be to forgo numerous advantages. Tourism is a great industry. Let us not ignore the millions it could bring us. The money spent by tourists remains in this country. It is money which in turn other people spend within Canada.

Mr. CRUICKSHANK: Mr. Speaker, as a matter of privilege, may I say that this afternoon my good friend the member for London (Mr. Manross) commented on our Czechoslovakian party and I am glad to see we have a convert.

Mr. MANROSS: I may say that I am paired with the member for St. Ann, who is in the same business.

Mr. G. R. WEBB (Leeds): Mr. Speaker, it is rather a coincidence that the hon. member who has just taken his seat (Mr. Lionel Bertrand) made a speech on the same subject that I wish to discuss. I am sure his speech will be found to support what I have to say, and I trust that what I say will bear out what he has said with reference to the tourist traffic.

Before this debate closes I wish to speak briefly in the interests of the tourist industry in Canada, and the crying need for further attractions and accommodations of all kinds, particularly in the way of additional and improved and well equipped national parks. Especially am I interested in this as it applies to Leeds, the constituency I have the honour to represent in the house, and if hon. members will bear with me I would like to give the house a brief description of my county—hence you will understand just why I am particularly interested in this industry.

Leeds county has been so landscaped by nature that the changing beauty extends from the St. Lawrence river on the south, with its fairy groups of islands, to the Rideau chain of lakes on the north, which, with its hundreds of land-locked and connecting lakes, offers to the angler and to the vacationist opportunities conceded to be unsurpassed. The county of Leeds is favourably situated on No. 2 highway, half way between the city of Toronto on the west and the city of Montreal on the east, the two largest cities in Canada. Within its own borders are situated the attractive industrial towns of Brockville and Gananoque on the St. Lawrence river, and many beautiful and busy villages both on the St. Lawrence and in the Rideau lakes district, all well equipped to take care of the tourist's every need. It is a vacation land without a superior, within a day's drive of more than a third of the population of the United States.

The hon. member for London spoke in this house a few days ago, lauding the city of London, but lamenting the difficulty of being "fenced in" by government-owned property. I am glad to say that in my county of Leeds no such condition exists. Urban centres have plenty of wide-open spaces for expansion, and not even imaginary boundaries between rural and urban peoples exist. Here friendship knows no bounds. This is our great asset, as the people tilling the soil make up our largest population, and without their efforts and co-operation our hopes for success would be futile.

Overlooking the St. Lawrence river for forty miles is the scenic highway, running from Brockville to Gananoque, and passing different points of interest along the way. Along this highway, and located at Ivy Lea, is the new Thousand Islands bridge, the only bridge connecting Canada and the United States between Cornwall and Niagara Falls. This particular point is in the heart of the Thousand Islands and gives an unsurpassed view of the scenic grandeur of the islands. Tour boats run regular trips along this waterway, and the visitor misses an unforgettable experience if the trip among the islands is not included in his vacation itinerary.

Now that I have taken you for a short trip through my riding you will understand why I am deeply interested in adequate accommodation and entertainment for our guests. A short time ago I was tremendously impressed by a headline in a Canadian newspaper which read: "Tourists mean more than

money", and "Is it possible that by constantly emphasizing the money value of the tourist trade, we are in danger of unwittingly doing ourselves an injury? Every year those in charge of our tourist activities put out statements estimating what it has meant to Canada in dollars and cents to entertain so many hundreds of thousands of visitors during the season and nearly always there is a comparison with other seasons."

Quite naturally the average merchant judges a tourist season by the amount of money he receives from tourist patronage. If his sales to tourists are up, it is a good season. If they are down, it is not a success. Similarly, operators of hotels, eating houses, filling stations, overnight cabins and all the other establishments which benefit from tourist custom are inclined to assess a season by the amount of tourist money that enters their tills. It has been said that some people are not above having special prices for tourists which differ from those charged the domestic trade. I cannot vouch for the correctness of such a statement.

From my point of view the great and growing tourist business of Canada ought to mean, and does mean, something more than the money that accompanies it. For one thing, it cannot fail to do a great deal to promote international understanding, something that is needed more and more in this world where it is so often lacking. Americans and others who visit Canada, and Canadians who visit the United States, and other countries, as large numbers of them do from year to year, must obtain a new appreciation and understanding of the countries visited and of their inhabitants. The more contacts we have these days between the peoples of different countries, the better for their understanding and the better for the future peace of the world. Therefore if we in Canada welcome and serve our guests in such a way that they will carry home friendship and understanding, I firmly believe the monetary side of the picture will take care of itself. Canada has much to offer to tourists, but to make it a lasting business we must be prepared in the face of competition to give value at all times, and make sure they at least carry away friendship and understanding.

Masses of figures showing the money value of tourists have been recorded, and I am not going to labour the point as to the money value of the tourist industry to Canada. I believe we all appreciate it to the full.

I said Canada has much to offer — the question is how are we going to sell it to the world? Many opinions enter into this phase of the subject. Time at my disposal does not permit me to do more than mention a few of the suggestions I believe might be considered.

During the tourist season our hotels, tourist resorts, and all available accommodation are taxed to capacity, and doing a pretty good job, but if we are to take care of this ever-increasing population someone must be responsible for further accommodation. However, I shall touch on this later.

We have always considered two or three months in the summer as the tourist season, but I believe Canadians should begin to realize the recreational value of their winters. We should accept the responsibility of advancing in large print to the world the winter fairyland we have to offer, and promote to our own people the idea that we have a greater opportunity than ever before for development of winter vacation places. So many more young people have become accustomed by war service conditions to outdoor life, that it is only natural there will be an urge for winter sports, not only on the part of those who have learned to ski while in northern posts, but those who seek a change from the southern climates. I maintain that the development of winter use of hotels, cabins and hostels will enable those who manage them to undertake much improvement which would not be justified by short-term summer patronage alone.

As our national parks are closely linked with the tourist industry, I have a few words to say as to their value in meeting the desires of the tourist. I have spoken briefly on this matter at least three times in this house, and I may say that after talking with hundreds of visitors, I am convinced that national parks are among our greatest tourist lures. I am not familiar with the great national parks in western Canada, but I can say without fear of contradiction that in eastern Canada accommodation falls far short of demand. I submit that my riding, the county of Leeds, is in a specially favourable position for a major development in the form of a national park in the Rideau lakes area. Possibly in all fairness to the hon. member for Lanark (Mr. Blair) I should take in a piece of Lanark.

In the days of the depression, and later on during the war, the government found it necessary to economize drastically in all park expenditures; but surely the time has arrived when all existing parks will be put in first-class condition with good supervision, and, where co-operation with provincial and municipal governments can be obtained, some new parks will be opened up. Again I submit that my own riding, the county of Leeds, is

the ideal place to start and I feel sure every co-operation will be extended by all concerned.

Many unfavourable reports of late have been circulated regarding the treatment of tourists and others at border points. These reports may be exaggerations, and I hope they are, as I have always received the most courteous treatment from officials. However, officials at border points receive their instructions from Ottawa, and if these instructions are too drastic we should place the blame on those in charge in Ottawa, not on the officials at the border, as they are only carrying out the duties assigned to them. And while it is necessary to have regulations, I submit that the government should make them as palatable as possible, removing all unnecessary bars. I am sure border officials will enforce them with the greatest of courtesy to men and women of good will.

There is one other type of visitor who can hardly be classed as a "tourist," and for whom I have the greatest admiration; I refer to the summer resident. These people were visitors to Canada; and so favourably were they impressed with our way of life and our geographical location for summer sports and recreation that they invested large sums of money in substantial homes, and their annual return, like that of the swallow, seems to bring the welcome promise of warm weather and sunny skies. I shall not go into the monetary advantages of having these temporary residents with us, as they are too obvious; but in spite of their value to our welfare, they are perhaps the least important of the benefits we receive.

The hon. member for Lambton West in his speech asked for a separate ministry to administer the tourist business. While it may be said this will add to the cost of the government, I must agree—with all due credit to Mr. Leo Dolan, director of the Canadian government travel bureau—that this is no one-man job. If the tourist business is to go ahead on a businesslike basis, if we cannot have a separate ministry I suggest the formation of a dominion commission which will carry on without change despite a reversal of party or government. It is essential that such a commission be formed at once in order to give the tourist business an incentive and the study it deserves; and with the heavy responsibilities which the Minister of Trade and Commerce already has, I should think he would welcome such a suggestion.

Today, when any road will lead to the ends of the world, travel is prescribed for ills of both body and mind because of the new scenes and ideas which divert the mind from the old emotions. Tomorrow's citizen will be a great traveller. He will demand the best in travel by rail, by road, on water, or in the air. He will want comfortable and good living accommodation. He will demand value for his money, and there will be keen competition for his patronage. In supplying his needs, Canada will have a great opportunity.

I submit the tourist industry should be given high priority by federal, provincial, and municipal governments in partnership with private enterprise in the development of the tourist industry in Canada. I trust my few submissions will receive favourable consideration by the departments of government interested.

Mr. ANGUS MacINNIS (Vancouver East): I regret, Mr. Speaker, that I cannot take the time to follow the example set by the hon. member who has just taken his seat (Mr. Webb) and tell you about the beautiful province and the charming city from which I come. I will, however, try to do them justice in a few words by quoting a couple of verses that were made in regard to another beautiful part of the world, and I shall leave it at that.

Mr. JOHNSTON: It must be Alberta.

Mr. MacINNIS: The hon. member is wrong again. I quote:

> Lovest thou the mountains great,
> Peaks to the clouds that soar,
> Corrie and fell where eagles dwell,
> And cataracts dash evermore;
> Lovest thou the green grassy glades
> By the sunshine sweetly kist,
> Murmuring waves and echoing caves?
> Then come to the gem of the west.

I may have done violence to the metre of the last line, but I think it will do.

Last week the hon. member for Vancouver South (Mr. Green), speaking in this debate, referred to the delay in filling the vacancy in Yale riding caused by the resignation of Hon. Grote Stirling on October 4, last, nearly five months ago. Tonight I merely wish to emphasize the points so well made the other evening by the hon. member for Vancouver South. First, I would say that no constituency should be left unrepresented in this house any longer than is absolutely necessary—and by that I mean any longer than is necessary to get into operation the machinery for holding a by-election. Second, no government has the right to deprive a constituency of its rightful representation in this house for political or any other consideration. Then there is this other point which should be remembered. In view of the high-principled action taken by Mr. Stirling in resigning his seat when he felt he could no longer adequately represent his con-

stituency, it is a definite affront to the electors of Yale to leave that riding unrepresented.

Yale is one of the most important constituencies in Canada. As I think we all know, it is an important fruit-growing area, and marketing fruit satisfactorily has always been a difficult problem in British Columbia. It is more than likely that the marketing of the crop during the coming season will be as difficult as anything the fruit growers of the Okanagan valley have ever experienced. Before coming to Ottawa in January I visited several centres in that constituency. I was in the district when the British Columbia fruit growers association held its annual convention at Penticton, and I want to tell the hon. members that the fruit men of the Okanagan valley are worried about the future. Last year with some difficulty they marketed a relatively small crop of six million boxes of apples. This year they expect to harvest a crop of nine million boxes, and the marketing situation does not look as good even as last year.

I should like to refer briefly to press reports of the convention of the fruit growers association, to indicate how the people of the Okanagan valley, which is largely Yale riding, feel in regard to this matter. The atmosphere of a convention is usually indicated by the headlines in the press reporting it. I hold in my hand a clipping from the Vernon *News* of January 22 with the heading, "Riddle of future puzzles fruit men in convention. Strange atmosphere of uncertainty pervades speeches." I quote briefly from the article which appeared on the front page under these headlines, dated Penticton, January 21:

> A strange atmosphere pervades the hall here where the fifty-ninth annual convention of the British Columbia fruit growers' association is being held this week. It is an atmosphere of tension; not of fear, but certainly of apprehension, and it penetrates most every address, many resolutions and most conversations.
>
> This uncertainty is of the future. The more distant past of the depression days is known now and its causes quite well understood. Known also is the general measure of prosperity of the war years and the immediate postwar period.
>
> This air—this atmosphere—is difficult to define. Reference to it was made Wednesday morning by the Minister of Agriculture, Hon. Frank Putnam, who declared that more difficult days lie ahead for farmers. The reports of the sales agency heads, president A. K. Lloyd and sales manager David McNair, delved into it. Mr. McNair's problem was a sharp one; the distribution of a probable nine million box crop of apples this year entirely on the North American continent.

That is the situation in the riding formerly represented by Mr. Stirling. I believe it is a situation which demands that this constituency

be represented in this house as soon as possible. Such representation has been too long delayed already, and I urge the government to act quickly in this matter.

It is so long since the speech from the throne was read by his excellency that I suppose many hon. members have forgotten what it said. As was natural, the first paragraph of the speech referred to the unsettled condition of world affairs. It pointed out that dislocations resulting from the ravages of war are becoming increasingly apparent. It said Europe has made only partial recovery and that in Asia active fighting is continuing over large areas. The speech then went on to contrast conditions in Canada with conditions in other parts of the world; and, as I suppose was natural, the comparison was very favourable to Canada. I am not finding fault with that, because I am quite willing to agree that living conditions in Canada are about as good as living conditions anywhere. We should not, however, be too boastful about conditions here, because when the countries with which we are making comparisons were ravaged by invading armies and their cities pounded into rubble, we were adding to our capacity to produce at a rate unprecedented in our history. I say, then, we should not be too boastful about our prosperity, for the reason mentioned and also because the prosperity is not as general as well-fed cabinet ministers would lead one to believe.

Mr. MITCHELL: How about the well-fed members?

Mr. MacINNIS: I do not know why the Minister of Labour should speak up when I mention well-fed cabinet ministers. Again, we should not be too boastful about our prosperity because it rests upon a very shaky foundation. Indeed, the speech from the throne recognized that fact when it said:

> A permanent solution of our exchange problems and the future well being of the nation depend upon the revival of world trade.

How often did I hear that phrase during the depression. Then the speech from the throne continues:

> An important step forward in this direction has been the successful conclusion of the recent discussions at Geneva.

We all welcome the Geneva trade agreements, but how insubstantial they are in the present disjointed condition of world affairs is demonstrated by the fact that at the very time we had before us those agreements to free world trade, we were giving priority to a measure for restricting trade. Again I am not blaming anyone for that contradiction;

I am merely drawing attention to it so that before we boast we might be a little more careful.

It seems to me there is something wrong somewhere, which we have not found and which we are leaving out of our reckoning. In my opinion what is wrong is that since the end of hostilities we have failed to realize the extent of the war damage in Europe, not only the physical destruction that took place but the emotional and psychological damage to the people themselves. No matter to what extent trade may be made free, Europe cannot trade until her productive machinery is restored; and that has been made so difficult because we changed far too soon from the co-operation of war to the competition of peace.

The first positive steps should not necessarily be steps leading to free trade. We shall have to have something to trade before we do that. The first positive steps toward world prosperity and world peace should be the economic reconstruction of the countries devastated by the war. Whatever the cost of that may be, it should be considered as part of the war cost. To act otherwise is to leave the winning of the war unfinished and the peace in jeopardy.

There is one hope on the horizon at the moment that something in that regard may be done. There is something which perhaps Canada can do. We may be able to give aid through the Marshall plan, which I hope and which I trust everyone else hopes will come into operation at the earliest moment. It is our chief hope at the moment for both peace and prosperity.

I mentioned earlier that prosperity in this country is not so general as we might be led to believe. For that reason I should like to refer briefly to the growing problem of unemployment which for several months has been increasing all across the country. I do not wish for a moment to give the impression that unemployment has attained startling proportions. It has not. As a matter of fact employment is on a high scale, but there are ugly symptoms which are reminiscent of what took place in this country in the hungry thirties. They show that although we had the time to do it we have not made conditions such that persons who are unemployed because of circumstances beyond their control may have as a right either work or decent maintenance without the stigma of charity. That is not yet provided for. I want to read to the house two short excerpts from newspapers which deal with unemployment in my own city of Vancouver. The first is an article which appeared in the Ottawa *Journal* of February 7, date lined Vancouver and under the subheading, "Vancouver alarmed by steady influx of youthful vagrants." I wish hon. members to note the word "vagrants". Legally a vagrant is a person without any visible means of support. This news item reads:

> Civic and welfare officials, with painful memories of the jobless myriads that descended on this Pacific coast city in the "grim thirties," today are becoming alarmed at the increasing influx here of youthful vagrants.
>
> City welfare officials report they are becoming swamped with the arrival of hundreds of youths a week from eastern Canada and the prairies seeking jobs on the warmer Pacific coast.
>
> At a special meeting last night of the homeless men's committee—

That does not sound like prosperity.

> —of the community chest, officials called on Vancouver citizens to provide homes for "hundreds" of unemployed youths roaming city streets.

It is only yesterday that those youths were our heroes. If war should come tomorrow they would be heroes again. I warn this country not to allow them to again become homeless vagrants. An editorial which appeared in the Vancouver *Sun* of February 12, 1948, referred to the same matter in the following words:

> An emergency committee headed by Reverend Doctor Andrew Roddan and operating under community chest sponsorship has made a good beginning in dealing with the plight of Vancouver's unemployed.
>
> Overlapping of social welfare work is being eliminated by setting up the Thurlow street hostel of the Salvation Army as a central clearing bureau for these men, to whose needs the *Sun* has drawn attention repeatedly. The community chest has set aside $1,000 towards feeding and sheltering the homeless and hungry.

In these days of high prices $1,000 is not going to go very far toward providing food and shelter for hungry people. Another paragraph in this editorial reads:

> One kindly city woman, a soldier's widow, who had read in the *Sun* of the misfortunes of these unemployed men now roaming our streets, telephoned the *Sun* with an offer of several dozen pairs of warm wool socks. Through the red shield centre, she soon had batches of applicants appearing at her door until the welcome socks were all given away.

Such editorial comment and news items need no elaboration. They are in themselves eloquent comment on our failure to meet the situation, because we knew that sooner or later we would be faced with it. It is heartening to see that the press and the public are concerned about the plight even of a relatively few unemployed. There may be some benefit in prodding those in authority so that a

definite policy may be framed whereby the unemployed may not have again to consider himself as the unwanted.

I think we need to be watchful in this matter. I am afraid that among the members of the government there are those that hold to the inevitability of unemployment. My attention has been drawn to a statement attributed to the Secretary of State for External Affairs (Mr. St. Laurent) during his recent visit to Winnipeg. I should like to read the following short excerpt which appeared in an editorial in the Toronto *Star* of February 2, 1948:

> One can imagine the depression and unemployment with which we would have been faced if there had been no country to which we could export the surpluses of our farms, our forests, and our mines; the $1,500,000,000 we have over the last eighteen or twenty months lent to others to purchase our surpluses, had not been available for distribution here to pay for the work of our farmers, our bushmen, our miners and our workers in our plants and factories. How could we have avoided massive unemployment and the demoralizing system of direct relief?

Mr. GIBSON (Comox-Alberni): Sell it to the United States for hard money.

Mr. MacINNIS: There may be another way, I do not know. I quote that statement because if it is a correct statement of the government's attitude, it is dangerous in the extreme. It means that this government is bereft of any policy to meet changing conditions. It means that in the opinion of this government we can live better if we give away a large portion of our wealth than if we use it in Canada for our own benefit. In order that there may be no possibility of misunderstanding in this matter, I wish to say that I do not in any way criticize the loans made to Great Britain and other countries to enable them to buy the things that we have to sell. In that I supported the government as did all the members of the group with which I am associated. As a matter of fact I not only supported it but I urged the government to make those loans and my only regret is that we could not have done more. But I do reject the philosophy that if we had not made the loans we would ourselves have been in economic difficulties. From the statement I have read it would appear that the loans were made, not so much to help the countries receiving them, as to save us from "massive unemployment".

Mr. GIBSON (Comox-Alberni): That is not true.

Mr. MacINNIS: I do not know whether it is true or not. But when a member of the cabinet says that that would have happened had we not done it, there are conclusions that could be drawn from his statement regardless of what the hon. member for Comox-Alberni may say about it.

Let us take a look at that $1·5 billion which we lent to Britain and to other countries. I may be wrong, I have not much of a business head, but I understand that the borrowing countries were given a bank credit here; that is, that no money left this country but that when a borrowing country made purchases in Canada its account was debited with the monetary value of the goods received. The goods left Canada and we got an IOU. If the borrower cannot pay we will assume the loss. If we can make a loan of that kind for people outside of Canada, is there any economic reason why the government could not make the same amount of money available to the people of Canada?—not to keep them on direct relief, but to keep them working and producing wealth in Canada, building for instance, houses which are so badly needed. We were told in 1944 by the James committee that there was need at that time for over 700,000 homes. Those homes have not yet been built. Surely if we have a capital of $1·5 billion we can put our people to work and produce wealth here in Canada far in excess of that $1·5 billion. If we cannot do that there must be something wrong with my economic thinking.

I believe in trade. I believe that the more we exchange the goods that we have in surplus for goods that other people have in surplus the higher our standard of living will be. That kind of trade is necessary unless we have within our nation all the goods that we need—both capital and consumer goods. Trade is only useful when we can exchange usable wealth for usable wealth. In that case both parties to the deal profit. There is no gain and there can be no material gain to us, at least at the moment, in giving away wealth, and there is no reason why we should have to depend on that fiction in order to keep our people working. Such an idea is the essence of nonsense and the sooner we get rid of it the better.

I want to refer for a few moments to another matter which I had hoped that at some time I would have an opportunity of discussing at considerable length. I refer to a social security program for Canada. I doubt whether there is any member of the house who has not since the opening of the session received numerous letters from people in his constituency who find it impossible to live on their present incomes. These letters come from war veterans trying to live on their disability pension, war veterans trying to live on the war veterans allowance, old age pension-

ers, people drawing small superannuation pensions and other such people. I believe that at least fifty per cent of my correspondence is about such matters.

I do not believe that the question of social security or social services can be handled effectively in the piecemeal fashion in which we have been dealing with it up to now. The actual situation at the moment is that the group which exercises the most pressure gets the greatest results. That is not good enough in a country where people should be dealt with equitably and be provided for according to their needs, not according to the pressure which they can exert.

I think the time has arrived when the government should be giving thought to the development of an over-all social security program. What should be the basic principles of such a program?

First, it should be national in scope; that is, it should cover all Canadians without regard to provincial boundaries. Second, its benefits should be available to everyone who is prevented from earning a living for himself and dependents for any reason beyond his control. Third, the benefits should be adequate in amount; that is, they should not be just a nominal amount so that we can say that we are doing something. The amount should not be arbitrarily set. It should have some relation to what is required for a reasonable standard of living. Just as we provide for the salaries of people who are performing services for the state, a social security program would look after those who either cannot perform service or have already performed service to the community as citizens, and consequently should not now be compelled to live on a mere pittance.

The fund out of which the benefits are to be paid should in my opinion be raised on a contributory basis, and perhaps the income tax is the best method for raising such a fund.

I am quite free to say that between the dominion and the provinces the people of Canada have considerable social legislation at the present time, which in the main, having regard to its limitations, is working fairly well. I find the administration of most of the social services with which I come in touch all that can be expected. I find those in charge sympathetic and willing to give the applicant the benefit of the doubt where they believe there is a doubt. But I think everyone will admit that our social services on all levels of government are inadequate and have been developed haphazardly. Let me just refer to one or two instances.

Take our old age pensions. The pensions were never, and are not now, sufficient for any sort of decent living. But besides that, there are anomalies. For instance, if a pensioner's wife is not eligible in her own right, if she is under the age of seventy, the two of them have to live on a pension that is totally inadequate for one. I do not know what was the basis for that. Surely it is not assumed that a woman between the age of sixty and sixty-nine can go out today and find work and add to the family income. The idea is preposterous, and I cannot understand on what basis the amount of these pensions is arrived at. I could mention a number of other things in regard to old age pensions, but it is not necessary.

Let me say a word about unemployment insurance. Admittedly it is a great advance over the old method of relief, but there is much dissatisfaction with it. I am not referring now to faults in the act itself—that is, in the act as it is drafted for a particular purpose, or in its administration. It is largely because the act is limited to involuntary unemployment, and the average person who contributes to it cannot understand why he cannot get benefits when he is unemployed for other reasons. I try to explain to those who write to me about it and to those who speak to me about it why they cannot get it, but it is difficult to get them to understand. Let me give an example. John Doe is a contributor to the unemployment insurance fund. He becomes unemployed and makes application for benefit. For three weeks he applies at the employment office for work, but no work being available he receives his unemployment insurance cheque. On the fourth week John Doe is ill and he cannot go to the employment office, but his wife goes to the office and says that she is sorry but Mr. Doe could not come this morning, that he is ill and has been ill for a week. But there is no cheque for him, because although John Doe is unemployed and there is no job for him, he is not unemployed according to the act; he is sick, and consequently when he needs his cheque the most he cannot get it. He cannot get it because the act does not provide for unemployment because of sickness.

I could go on and multiply these instances. I say again they are not faults in administration; they are limitations that should be provided for.

I appreciate that the federal government cannot institute a national social security program without the co-operation of the provinces. I also appreciate, Mr. Speaker, that some of the provinces are not as co-operative as they might be. I do, however, urge this government to start at once to work out a

social security program along the lines I have indicated. Then let the people know about it and I am satisfied that the public response to a constructive program will make the go-it-alone premiers much more co-operative than they are now.

There is just one point I wish to make in connection with this matter of co-operation between the dominion government and the provincial governments in regard to social security. Seven provinces have already signed financial agreements with the federal government, and I think the government has an obligation to these seven provinces to conclude with them, as I believe they are anxious there should be concluded with them, agreements covering social security measures such as were mentioned in the dominion government's green book proposals of 1945.

A national policy on this question is urgent as neither the provinces nor the municipalities have the financial resources to deal with the many problems which the end of war prosperity has once more placed upon them; consequently I would urge the government to act at once. Do not leave this important matter until you have to begin looking around for a vote catcher. The day for that sort of thing, if it ever had validity, has long since gone by.

Mr. L. O. BREITHAUPT (Waterloo North): Mr. Speaker, at this point in the throne speech, late as it is, I wish to congratulate the mover, the hon. member for Lake St. John-Roberval (Mr. Dion), and the seconder, the hon. member for Halifax (Mr. Dickey). The people of Waterloo North, which is one of the great industrial, financial and agricultural ridings in Canada, are naturally interested in the positive approach to the problems which confront us as a nation today. On account of the diversification of activities in the riding from which I hail, the country's problems are our problems in a very real way.

While I do not intend to make a speech at this time with purely local implications, nevertheless I do wish to draw the attention of the house and of Canada to the fact that since the last throne speech debate much of interest has happened in my riding of Waterloo North. In September last we had the pleasure and the honour of a two-day visit from the riding's most distinguished son, the Prime Minister, (Mr. Mackenzie King). Besides visiting in his native city of Kitchener he also paid a visit to the rural communities and renewed his former acquaintance with his many friends there. Many recalled the occassion of Mr. King's first election to the House of Commons from Waterloo North, and it goes without saying, Mr. Speaker, that the welcome he received was tumultuous.

On January 1 of this year the town of Waterloo graduated to the ranks of full-fledged cityhood. Naturally the event was suitably celebrated, such as only Waterloo citizens could celebrate an event of this kind with their well-known liquid resources. Most Ontario towns become cities when their populations reach the statutory requirement of 15,000. In the case of Waterloo, however, what it lacked in population was more than made up in other ways. It became a city by special act of the Ontario legislature after reaching a population of slightly over 10,000.

The new city of Waterloo can point with a good deal of pride to forty bustling industries, unquestioned leadership in the insurance field, together with the best of facilities for educational, religious and recreational training, hockey included, real hockey, not just broom ball. Now that Waterloo has become a full-fledged city, adjoining as it does, the city of Kitchener, the twin community has become unique in that the two centres form the Dominion of Canada's only twin cities undivided by a river or natural barrier. It is indicative of the splendid spirit of co-operation evidenced by the good neighbour attitude of citizens of both cities that many of the educational and cultural institutions are run jointly. Thus, while actually two municipalities, to all intents and purposes, they might as well be one. Probably in years to come a closer union, which many believe is inevitable, will undoubtedly be consummated.

Agriculturally, the riding of Waterloo North has probably more happy and contented farmer families than any district in Canada. Some hon. members will dispute that. Mixed farming has been the order of the day for many generations and still continues to yield satisfactory over-all results for our people in the rural communities. Many of our farmers are a good deal better off than their city brothers, and it is a matter of quite some interest that best business properties in our cities are often financed by mortgage money which the farmers provide on developed real estate.

Financially, the district is characterized as the insurance centre of Canada, and is often referred to as "the Hartford of Canada". The financial institutions there have taken their full part in assisting to build up Canada and in protecting the Canadian public against loss and damage to life, limb and property. The record of these companies is so well

known that to dwell further on this point at the moment would be superfluous at a time when we are all endeavouring to reach the end of the present debate.

Industrially, Waterloo North has been built up, not only to supply the requirements of the domestic markets, but factories have made extensive additions to plant and equipment during the last number of years to cater the better to home and export trade. As one out of every eight employees depends on export business, it is a truism that to live Canada must export. This can have no truer implications or applications than those which apply to the people of my riding.

It is a matter of great satisfaction and much pride to us all that Canada can point to a 1947 eclipse of all trade records, including wartime peaks. Figures released by the dominion bureau of statistics on the weekend of February 9 showed our foreign trade for 1947 totalled over $5,385 million compared with $4,266 million in 1946. The previous high figure attained, which was during the war in 1944, was $5,241 million. When it is considered that this figure included great quantities of war materials shipped to our allies, the figures for 1947 become all the more impressive.

This great industrial expansion, while establishing a very enviable record, has, nevertheless, probably resulted in one of the chief causes of our shortage of United States dollars. New industrial projects and developments, as we have recently been informed by the Minister of Trade and Commerce, reached the imposing figure of two and one-third billion dollars in 1947.

It appears, therefore, that Canada, as a result, should hit a new high in production for the current year, if new plant extensions and manufacturing facilities are to be fully utilized. Fully to utilize this plant extension, I am convinced that a determined drive will have to be put forth to increase our exports to the United States and other hard currency countries. I was much impressed by the remarks of the hon. member for Vancouver East (Mr. MacInnis) who preceded me, when he also came out for the Marshall plan. I am pleased to note that the Hyde Park agreements are still in effect. This should help our export picture.

I wish to take this opportunity of congratulating our dynamic Minister of Trade and Commerce, his deputy minister and his able cohorts for the steps they have already taken in connection with the stimulation of exports, and at the same time, I wish humbly to suggest that if the economy of our country is not to undergo a recession of some proportions, these efforts might well be doubled and redoubled to keep industry fully employed, and to keep our surplus products moving. The time is near at hand when favourable consideration might also be given to the export of a much larger percentage of our farm products, including cattle, if it can be established that these are not required for Canadian or United Kingdom consumption.

As regards our trade position, statistics show that at confederation, as pointed out in a recent speech by the deputy minister of trade and commerce, fifty-six per cent of our imports came from the United Kingdom. A steady decline has resulted in imports from this source ever since. The percentage fell to just under twenty per cent before the beginning of the last war. At the present time our imports from the United Kingdom are only 7½ per cent of our total imports. This situation should be speedily remedied as Britain's ability to export improves. All hon. members know that there has been a serious shortage of men's shirts in Canada. To remedy this it is to be hoped that the United Kingdom will soon be able to supply us with much larger textile shipments. It would be particularly good news to the many shirt factories in my riding if these would soon materialize. I am pleased to learn that the government has a capable emissary, Mr. A. G. S. Griffin, now in the United Kingdom, chasing up increased shipments of much needed materials.

I am firmly of the belief that, as and when the United Kingdom can supply us with a greater volume of all lines, we should definitely increase our imports from that source. Undoubtedly as British manufacturers are able to step up production their prices will swing more into line; so that volume will result. A feature I wish to stress particularly at this time is possibly one that does not need further emphasis. Nevertheless, I think it is important and will bear repeating: that is, that our import trade has turned largely to the United States without a similar increase in our exports to that country. Surely, if any businessman in this country or any other country had a top-ranking customer from whom he could purchase supplies in return, he would be only too glad to do so, and I am sure that the United States will arrive at the point where similar treatment to their best customer will also appear to be good business to them.

At the time of confederation the United States supplied us with only 30 per cent of our total imports. By 1946 the figure had

risen to about 75 per cent—an advance in imports from the United States of 45 per cent! It surely must be apparent to all hon. members and the country as a whole, that unpleasant as the task is for the government, corrective steps had to be taken to rectify this situation.

It is a fact that stands in bold relief that we have turned largely to the United States for our foreign purchases, and they in turn have not reciprocated in kind.

The present program of the government designed to meet the situation is apparently pretty good, better than we are given credit for in some quarters. This is clearly demonstrated by the facts recently submitted to the house by the Minister of Finance. It is gratifying to know that the steps which have been taken have produced results far beyond the expectations of even the most sanguine. Canadian holdings of gold and United States dollars were at a low of $461 million during December, and at the end of January they had bounced up to $514 million, thus registering an improvement in the position during that short time of some $53,000,000, which represented an improvement of 11 per cent. Obviously, if this trend continues and exports increase, the picture will soon improve. I am sure that all hon. members, including the Minister of Finance himself, will look forward to the gradual easing of some of the present restrictions. At this point I think it is only fair to say that the Minister of Finance and the Minister of Trade and Commerce have been very reasonable and helpful in connection with situations which have arisen owing to the first draft regulations. Many of these situations have been ironed out to the satisfaction of all concerned, I believe, and not only for the members of the government, as was feared by the opposition would be the case.

While import bans and restrictions may assist in partially rectifying the present exchange situation, nevertheless in my opinion the one really effective remedy which should be stressed to the utmost is for the government to encourage production as much as possible and also production for export of those commodities, and only those commodities, which are in plentiful and surplus supply here. Surely we, the best customer of the United States, have every right to expect of our great neighbours to the south of us that, besides selling to us such a tremendous percentage of our total requirements, they too should be willing and anxious to patronize their best customer by taking more of our products.

[Mr. Breithaupt.]

As I said before, I was glad to hear that the Minister of Trade and Commerce has taken initial steps to bring to the attention of the United States government the case for Canadian exports under the European recovery program or Marshall plan, also referred to by the hon. member for Vancouver East. There are many industries which can assist in the rehabilitation of European countries through this plan. As an example of what can be done I wish to draw to the attention of the house the situation in connection with the Canadian shoe industry.

The shoe industry reached its highest peak of production in 1946, when it manufactured 43,000,000 pairs, mostly for home consumption. This high production was possible and necessary to fill domestic requirements which ran short during the war years, and was only possible because the shoe industry had built up a large capacity during the war to take care of service requirements. Reference might be made here to the high quality of footwear supplied to the armed forces, and testified to by General McNaughton while he was head of the Canadian army. According to figures supplied by Mr. Frank Millington, of Montreal, executive vice-president of the shoe manufacturers association of Canada, we are advised that it has been estimated that even if production again reached 43,000,000 pairs in Canada, the industry could still further increase production to allow for two and a half million pairs additional for export. This industry submits that it would be able to make five and half million pairs of shoes for the European recovery program, and that at the same time export possibilities to countries other than Marshall plan countries would not be prejudiced, nor would shoe requirements for our domestic trade suffer. I might point out that if shoe business were to accrue to Canada under the plans now being made by the Minister of Trade and Commerce, the various provinces throughout Canada would benefit from such a program. The shoe industry is spread from coast to coast and beneficial results in employment would therefore be felt across the country.

While a great deal has been said in and out of this house about the unfortunate rise in the cost of living, it appears to me that while we here at Ottawa are placing thousands and literally millions of words on *Hansard,* the situation as far as Canada is concerned seems to be improving daily. A recent report from the Kitchener-Waterloo *Daily Record* states:

> Retail meat dealers today refer to bacon price reductions from ten to fifteen cents a pound, since the high of eighty-five cents a pound in the twin cities.

A drop of this kind is certainly an indication of the trend. A recent letter received by me from a friend in Fitchburg, Massachusetts, indicates that best butter is now selling at ninety-four cents a pound there, and only recently had been selling at ninety-nine cents a pound; eggs at seventy cents a dozen and milk at twenty-three cents a quart. Comparison with the prices we are still privileged to enjoy in this great country indicates without the shadow of a doubt that we are far better off in Canada than some hon. members would lead us to believe. From what I have seen of the raw material markets, I am convinced that the trend in most commodities is definitely down. Production has caught up with demand in many industries and is rapidly reaching the saturation point in others. With the prices committee doing an excellent job in ferreting out certain situations, it appears to me that with natural economic forces also at work the cost of living will soon be down for our Canadian people.

I wish to refer briefly to the case for government aid to flying clubs throughout the country. I understand from members of our flying club at Kitchener that an appeal has been made by the Royal Canadian flying clubs association to the Minister of Trade and Commerce (Mr. Howe) and the Minister of National Defence (Mr. Claxton) to have prewar subsidies reinstated to these flying clubs for the duration of the current year as a temporary measure until an up-to-date proposal for subsidy can be carefully worked out and considered. Realizing what a splendid job the flying clubs have done during the pre-war period, to say nothing of the really wonderful piece of work they did during the war and since, I sincerely hope that consideration can be given to relieving the present situation as far as these clubs are concerned.

Before closing, Mr. Speaker, and if my time permits me to do so, I should like to refer briefly to the question of reduction of income taxes for the coming year. While the matters discussed in this house for the last month have undoubtedly indirectly interested some of my constituents, some of your constituents and some Canadians some of the time, the fact remains that all my constituents, all your constituents and all Canadians are directly interested at this time and all the time in the subject of further income tax reductions. I would therefore strongly urge the Minister of Finance again to give most serious consideration to a further general reduction in income taxes in his forthcoming budget. Last year I believe an average over-all reduction of twenty-nine per cent was made by him, and to say that Canada received the good news with enthusiasm would be an understatement. Abbott was a real hero! Surely with the much larger surplus this year of three quarters of a billion dollars, a further all-round substantial tax cut can be made and at the same time a reasonable proportion of our national debt retired. I wish to repeat my well-substantiated and, I hope, effective case of last year when I put in a special plea for white collar workers and low income groups. Until rates for these groups are brought more into line with general levels, I believe they should have special consideration and much needed relief from high wartime imposts.

Mr. H. O. WHITE (Middlesex East): Mr. Speaker, in rising to take part in this debate this evening I wish, following the custom in this house, to compliment the mover and seconder of the address in reply to the speech from the throne.

Listening from time to time to various hon. members one would come to the conclusion that Canadians were poor people; we hear so many arguments in favour of cheap food. I want to point out, however, that in 1947 Canadians spent $400,000,000 on alcoholic beverages, $275,000,000 on tobacco and $120,000,000 on movies and cosmetics, which makes a total of about $795,000,000. In addition the governments paid some $230,000,000 in family allowances, which brings the total to nearly $100 per person. It would seem to me, then, that people want subsidized food so they can afford luxuries; and they want the farmer to bear the brunt of it. I am not going to say anything more about farming tonight, except that I am glad the Minister of Finance (Mr. Abbott) acceded to my suggestion that he give the fruit and vegetable growers some idea of how long the dollar conservation program might last, so they can make their plans for 1948.

Tonight I wish to deal particularly with two lines of endeavour carried on in my constituency of Middlesex East. First I should like to deal with the needs and development of the university of Western Ontario. I have no hesitation in saying that from what I have heard from various sources Western is one of the finest universities in Canada. I need only mention two outstanding men, Doctor Banting and Doctor Best, who received their early education and training and carried out many of their experiments at London and Western. On March 7 next the new president of the university, Doctor G. E. Hall, is to be installed, and a special convocation service is to be held to commemorate the event. In passing I want to pay tribute to Doctor Sherwood Fox, past president of the university, who is

now retired. He is still carrying on many activities, however, one of which I should like to mention particularly because I am rather interested in it. During the past few years the native sweet chestnut of the lake Erie region has been suffering from a disease or blight that has practically wiped it out. A few stands remain, but they never get to the fruiting stage. This fall in the city of St. Thomas a few sweet chestnuts were offered for sale at $1 per nut, and were bought eagerly by people who are trying to propagate them and grow the sweet chestnut again in south-western Ontario. Doctor Sherwood Fox is spending much of his spare time gathering data and carrying on experiments in the hope of finding some way to perpetuate this great forest tree.

Western, as I said before, is well known in connection with the arts and sciences, and also for its extension work. It is looking to the future, providing training for many of our student veterans and young people from all over Canada, particularly from western Ontario. Like all growing institutions it requires many things, including new buildings; and if and when they ask for assistance, I hope it will be forthcoming. In this connection I should like particularly to say a word in reference to the Department of the Secretary of State. Western university has a very good library and a very good librarian, with whom I am personally acquainted. According to law I understand each university in the dominion should have forwarded to it six copies of all governmental documents that are not of a secret nature. That is only right; but as far as Western is concerned, and I believe this is true of all universities, their collection is incomplete. I have with me a list which has been compiled of the missing governmental documents required by the library of Western university, and I am going to ask the Secretary of State (Mr. Gibson) to do everything possible to see that these missing documents are supplied. I understand this is supposed to be done by the king's printer. As we know by looking at *Hansard* and other documents the king's printer is a busy man. Some of the work has to be turned out on very short notice, but some other documents are weeks, months and years behind. When I see the quantity of paper that comes to my desk every day, some of it nothing but waste paper, I believe some of that energy could be employed in providing these missing documents for Western and all the other universities of Canada. I believe they all find themselves in the same position, so I would suggest that the universities be asked to furnish lists of the government documents they require, and that the job of furnishing these documents be given some printing company. It seems to me that if there is any place in Canada where these documents are needed, where they will be used to advantage and the benefit of that use passed on to the country as a whole, it is our universities.

Along the same line I should like to mention the possibility of a national library. Yesterday we heard something about the national film board. We would not want a national library to turn out like that, and if I thought it would do so I would not mention it. I believe a national library could be a great asset. I know Western university borrows books from universities in the maritimes, from the University of Michigan and many other places. If we had a national library in Canada in time it could be developed into an institution from which our universities could borrow the documents and books they might require.

So much for Western university and its needs. I am passing over these matters rather quickly because time is limited. Now I want to say a few words about veterans affairs.

The largest military hospital in the British empire, Westminster hospital, is located in Middlesex East. I am well acquainted with the doctors, some of the nurses and some of the staff in that hospital. They are loyal. I know that the doctors and others are doing everything possible to help the veterans. They are doing a great work. But there is one thing that I find there, and this applies to other departments of government. There are some employees who are permanent civil servants and others who are temporary. Some of the temporaries have been there since the first great war. I do not know how you can expect to build up loyalty in that way. If they are going to be there for a lifetime, let us make it a permanent job.

Some of these are doing the work of grade three civil servants but they are not always getting the pay. When inquiry is made we are told that the position has not been created. These people are doing the work, and I suggest that if they are doing the work the job is there.

In connection with that hospital is the western counties tubercular centre which is located in beautiful grounds south of the hospital and of the city of London. I had the opportunity to visit this institution and I know they are doing a fine work.

Westminster hospital is south of London on Wellington road, a paved highway with heavy motor traffic. There is no sidewalk along this highway from the city limits to the hospital. It is true there is a bus line, but many people prefer to walk, and the only place they can walk is on the side of the road. Sooner or

later someone is going to be killed. It is going to take a life to awaken the authorities to the fact that by the expenditure of a small amount human lives may be saved. Some of the property past which this sidewalk would run is still farmland and the owners are not interested in paying any frontage tax. I know the Department of Veterans Affairs does not want to build sidewalks for municipalities, but I venture to say that ninety per cent of the people who walk up and down Wellington road are going to or from the military hospital. With a little co-operation between the Department of Veterans Affairs and the municipal authorities that sidewalk could be provided in the immediate future.

I am not going to go into this in too much detail, but I would remind hon. members that I mentioned this matter on the last day of the last session, July 17, 1947, and of course no one paid any attention to it. I would refer the Minister of Veterans Affairs (Mr. Gregg) to page 5823 of *Hansard* of July 17, 1947. I suggest that in dealing with these employees at the hospital the civil service commission and the Department of Veterans Affairs get together to try to work out some satisfactory arrangement so that these employees will not be left where they are now.

I want to say a word or two about pensions. I do not think that anyone in Canada would complain about what we might do for the veteran and those who fought our wars. There would be no complaint if we increased pensions because there is a debt which can never be paid in money. Why be niggardly about this particular item? I am going to suggest that the plan set out in *The Legionary,* and which has been mentioned on more than one occasion in this house, be followed. There are others who took part in the great war, and I refer particularly to Red Cross workers. I might mention also student veterans, both married and single, who are attending schools and universities. The cost of living has increased since these allowances were granted and they are now finding it rather difficult to get along.

I wonder if it would not be possible for the bureau of statistics to set up a realistic cost of living index. About 33 cents out of every dollar that we spend is in the form of hidden and other taxes. Taxes are not considered in setting up the cost of living index and therefore it is not a true index. This index should be brought up to date and be made more realistic. I believe pensions could be linked with the cost of living index so that when living costs went up pensions would automatically be increased. When the reverse was the case, the opposite situation would apply. It would avoid placing the veteran in the position in which he finds himself today where his pension is not adequate to meet his living costs. I might mention also the widows and children of veterans, some of whom are finding themselves in a most difficult position.

One hundred Veterans Land Act houses have been built in my riding. It has been my opportunity to meet many of the young veterans who have returned and purchased these houses. As I said last session, these houses in the township of Westminster are nice little homes but they cost too much money as far as the veteran is concerned. I think $500 or $750, or even more, should be written off the cost of these houses so that these veterans will have a fighting chance to pay for them. I notice in the London *Free Press* of a couple of days ago that these veterans have formed an organization to beautify their houses. They are showing a community interest in the project and I believe they are going to do a good job. Let us give them some encouragement.

I have been in many of these houses. While they look as though they had been hastily built, it took a long time to build them and they cost too much. I suggest that some reduction should be made. I am not certain that the deal has been completed but I do not believe anyone in the country would object. We heard a story the other night about the film board. We can question the expenditures made there, but I do not think anyone in the country would question anything we did for the veteran.

I received a telegram from the Army, Navy and Air Force Veterans of London, unit 227, in which they complain about some of the things I have referred to in my talk tonight.

There is just one other thing I want to mention—immigration. I think I have mentioned this before. Canada is a country with vast resources and we must face the fact that we need more people. I have mentioned the fact that we would gladly share our national debt with them. I repeat that we have a national debt that should satisfy anyone. Any child born in Canada tomorrow has a debt of over $7,000 over his head. We need people to help carry this burden.

I have had considerable to do with assisting people in this country to bring over their relatives from Europe. The present set-up is inadequate. I often get excuses and passing the buck. It is always someone else who is holding up the entry into this country of some immigrant. While we are doing that, other countries are skimming off the cream of the immigrants that we might get, and the

first thing we know all that will be left will be the dregs. I mention one particular case, which could be multiplied many times, in which I attempted to assist a would-be immigrant from one of the European countries. He had left Latvia before the war, but like many others got caught in the jam and now finds himself in Germany. He is not in a displaced persons camp and so comes, they tell me, under the international refugee organization. Each of these organizations, the one looking after displaced persons and the international refugee organization, has given him a number, and there he is wandering about Europe with a number, and nobody doing anything about it. So far as I can see our immigration policy is simply a delaying action, and when I contrast it with what I read in the newspapers of the influx of reds from across the border, I wonder how they get into this country so easily. We seem to be struggling with one hand to keep immigrants out, and with the other hand we are welcoming undesirables.

There is another feature. Many of our young educated Canadian boys and girls are crossing the border to seek a living in the United States. I quote from an article in the Windsor *Star* of February 13 last, under the heading "Over border in droves", which says:

Boys and girls in their teens are going over the border in droves from Canada to the United States. R. P. Bonham, chief of the United States immigration service at Seattle, reports that these young folks are seeking employment in the United States. Most of them are being picked up and returned to their homes in Canada.

A group of young Canadians was taken to the immigration people in the United States. One of them explained why they are leaving Canada by the simple statement: "There just isn't much chance for a young guy in Canada today."

Some of these young people should be sent down to Ottawa to speak to the dominion government. With managed lives the rule in Canada today, the officials should hear the stories of these young people, who want to get away from this country to seek a new life in the United States.

It does not speak well for Canada's trend to socialism to find so many young people wanting to escape to better living under free enterprise in the United States.

Mr. DAVID CROLL (Spadina): Mr. Speaker, I want to take this opportunity to speak about the tragic case of Palestine, with all its heartaches and frustrations and disillusionments. The case is now before the united nations assembly at Lake Success. It is not only of importance to the Jewish people; it is of importance to Canada and to the united nations.

Today the Holy land is being engulfed in an unholy war, in defiance of the decision of the parliament of man, which may well turn into another Ethiopia or Manchuria. The matter is of special concern to Canada; for we are in great measure responsible for the decision which was reached by the united nations. The effort of Mr. Justice Rand on the united nations special committee on Palestine has been hailed throughout the world as a signal achievement. Without his patience and understanding it is fair to say that the UNSCOP report would not have seen the light of day. I think Canada may be justly proud of the fact that in our first participation in a major united nations decision we were so well and ably represented. The work of Mr. Justice Rand and the members of the Canadian delegation to Lake Success has given Canada a new and an impressive position in international affairs and has permitted her to make a notable contribution towards world peace.

No problem in modern times has ever been under such a strong searchlight of investigation as the Palestine problem, and in our desire to be involved in peace rather than in war we have made superhuman contributions in order to reach a decision.

The Palestine case today comprises, I think, two main issues. On the one hand there is the immediate fate of Palestine itself and its people, and on the other hand the larger question of the ability of the united nations to solve international problems without resorting to armed conflict. In order to appreciate these two issues we have to consider briefly the background.

Before 1917 the Arab states, as we know them today, did not exist. For four hundred years they had been part of the Turkish empire. Palestine itself had then no separate existence. Its population of some 690,000, of whom about 85,000 were Jews, was under Turkish domination.

During the first world war the British troops under General Allenby occupied Palestine. At that time the British government made certain commitments to the Jews and Arabs. They were contained in the Balfour declaration of 1917, pledging to set up a Jewish National Home, and in an exchange of correspondence beween Sir Henry McMahon and the Sherif of Mecca, assuring British assistance to the Arabs in establishing their independence.

We start, then, with these two solemn undertakings by Britain. Are they mutually exclusive? The British government has specifically repudiated the Arab claim to Palestine in the following words which I quote from the white paper of 1939:

In the recent discussions the Arab delegation have repeated the contention that Palestine was included within the area in which Sir

Henry McMahon, on behalf of the British government . . . undertook to recognize and support Arab independence. The validity of this claim, based on the terms of the correspondence which passed between Sir Henry McMahon and the Sherif of Mecca, was thoroughly and carefully investigated by British and Arab representatives during the recent conferences in London. His Majesty's government adhere to the view that the whole of Palestine west of Jordan was excluded from Sir Henry McMahon's pledge, and they therefore cannot agree that the McMahon correspondence forms a just basis for the claim that Palestine should be converted into an Arab state.

On the other hand, there is a pledge contained in the Balfour declaration of which, it should be observed, Canada was a signatory. In 1946 the Anglo-American commission of inquiry commented on the meaning of national home in the following words:

This term "national home" was new to international law and subject to varied interpretation. It appears certain that no one in 1917 contemplated the immediate creation of a Jewish state to rule over the large Arab majority in Palestine. But many responsible persons in the British and United States governments, and among the Jewish people, believed that a considerable Jewish majority might develop in Palestine in the course of time, and that a Jewish state might be the outcome of the Balfour declaration.

Following world war I, Palestine was placed under a league of nations mandate, with Britain as the administering power. The mandate, in the words of the Anglo-American commission to which I referred—

. . . recited the Balfour declaration and gave recognition to the historical connection of Jews with Palestine and to their right to reconstitute their national home in that counry. The mandate, moroever, required Great Britain to facilitate Jewish immigration and to encourage close settlement of the land. Though extensive safeguards were provided for the non-Jewish peoples, the mandate was framed primarily in the Jewish interest.

It was apparent from the beginning, Mr. Speaker, that the Arab leaders were unwilling to agree to the creation of a Jewish national home in Palestine. Their aim was an independent Arab state, and the riots and the unrest that followed are too very well known by this world.

In eighteen years no fewer than ten separate commissions were appointed to investigate conditions in Palestine, of which the most significant was the Peel commission headed by Lord Peel, which investigated the riots of 1936. The findings of the Peel commission were that the Jews had been promised a state and that the Palestine administration was antagonistic to this plan. It found, however, that the aims of the Jews and the Arabs were irreconcilable and recommended the partition of Palestine into Jewish and Arab states with international control of Holy places. A subsequent commission to delimit the boundaries of the new states failed to achieve its purpose, and, when renewed Arab disturbances followed, Britain called Jewish and Arab representatives to London to come to agreement on policy. The roundtable discussions broke down when the Arab delegates refused to meet with the Jewish representatives, and as a result Britain announced her own decision in the white paper of 1939.

Briefly, the white paper put forward plans for an independent state in which Jews and Arabs would share authority. At the same time it severely restricted the purchase of land by Jews and limited Jewish immigration to 75,000 over a period of five years, to be permitted thereafter only with Arab consent. In other words it relegated the Jewish community in Palestine to a permanent minority status in what was to have been a national home; for at the present time the Arabs in Palestine outnumber the Jews two to one.

Now, the white paper requires a little comment from me. It was unanimously condemned by Jews and Arabs alike. It was also declared by the mandates commission of the league of nations to be in conflict with the terms of the league mandate under which Britain held the trusteeship of Palestine. Despite this, during the war some of the terms of the white paper were put into effect, notably restrictions on land holdings and immigration, and I need not tell this house that they were deeply resented by the Jewish community.

As a result of post-war tension, the Anglo-American committee of inquiry was set up in 1945 to study the problem. Their unanimous report favouring abolition of the ban on immigration and land holding was, however, rejected by the British government and so the situation continued to deteriorate. Finally the British government announced its readiness to surrender the mandate because of failure to find a solution acceptable to both the Arabs and the Jews, and placed the responsibility on the united nations for recommendations regarding the future government of Palestine.

The record of those earlier years of fruitless discussions about the settlement of Palestine must be considered against the background of European history from 1933 on. While commissions sat, and white papers were handed down, the Hitler tyranny systematically reduced the Jewish communities of half Europe to slavery and then proceeded to annihilate them in cold blood. In all, six million Jews perished in the gas chambers

and furnaces of Germany and Poland. This is how the Anglo-American committee described their terrible ordeal:

In the cold print of a report it is not possible accurately to portray our feelings with regard to the suffering deliberately inflicted by the Germans on those Jews who fell into their hands. The visit of our subcommittee to the ghetto in Warsaw has left in their minds an impression which will forever remain . . . Adjoining the ghetto there still stands an old barracks used as a place for killing Jews. Viewing this in the cold grey light of a February day one could imagine the depths of human suffering there endured. In the courtyards of the barracks were pits containing human ash and human bones. The effect of that place on Jews who came searching, so often in vain, for any trace of their dear ones, can be left to the imagination . . . In Germany and in Poland, which was often described to us as "the cemetery of European Jewry," a Jew may see, in the face of any man he looks upon, the murderer of his family. It is understandable that few find themselves able to face such conditions.

In short, Palestine has become, for these dispossessed and disinherited people of Europe, more than an ideal to be realized some day in the distant future. It is a very real and very immediate home for them from the suffering and persecution which even today follow them wherever they may go. I use the word "home". I do not mean refuge, nor do I mean asylum, nor do I mean shelter; I mean home with memories and hope.

I have reviewed briefly the background of modern Palestine, although not as a basis for further arguments on the merits of the case. The problem facing the Canadian and other delegates at Lake Success was not to balance claims based on who had majority status in Palestine—when, in what numbers, or for how long. The fact to be faced was that here were two irreconcilable groups of people, each of them entitled to self-government and self-determination.

The official position of the Canadian government was stated by Mr. Ilsley when he quoted from the majority recommendation of UNSCOP:

The basic premise underlying the partition proposal is that the claims to Palestine of Arabs and Jews, both possessing validity, are irreconcilable, and that among all the solutions advanced, partition will provide the most realistic and practicable settlement, and is the most likely to afford a working basis for meeting in part the claims and national aspirations of both parties.

The Canadian delegation, therefore, held out partition as the only feasible solution. To the Pakistan argument that partition should not be adopted without consent, the Canadian delegate observed that the question arose whether it was any better to try to maintain unity without consent. To the threats of disorder from the Arab speakers, in the event of the passing of partition, Mr. Ilsley, as Canadian spokesman, had this to say:

It would be folly to assume that there would be any less likelihood of disorder if any of the other alternatives were adopted. Indeed, in our judgment, this likelihood in the case of every one of them would be not less but greater . . . But something must be done with this problem, and we are satisfied that, full of difficulties as the partition solution is, any other solution would be worse.

Our representative also discussed the alternative of abstention, and it was felt that obligations to the united nations and to the people of Canada would not permit abstention. I quote Mr. Ilsley again:

We have, as this assembly knows, taken our full share of responsibility in this matter throughout the entire session. We have worked day and night to obtain a solution which would be practicable and workable, and we feel that our obligations, not only to this organization, but to our own people, are such that we could not justify an abstention, and that we should vote for the resolution. This we propose to do.

Now the support for partition given by the Canadian delegation was accorded in the belief that partition provided the shortest cut to a settled middle east. This was expressed by the Under-Secretary of State, Lester Pearson, a week before the vote:

The Canadian delegation has only one desire in this matter—to bring peace and security to this unhappy land of Palestine, which is a holy land for us all and from which has come to so many millions security and peace . . . The plan that has been recommended by the subcommittee, and which is based upon the majority report of the united nations special committee which investigated this matter for many months, has the best chance of success of any that has been submitted to us; the best chance of bringing peace and order to that torn and troubled country. In that spirit, Mr. Chairman, our delegation will support the plan of subcommittee 1.

As a result of its deliberations the general assembly of the united nations, by a two thirds majority of its members, decided on partition with economic union. This decision was reached on the basis of a full investigation of the facts, and after lengthy debate in which the Canadian delegation took a leading part. This was the greatest amount of international agreement ever achieved by the assembly on any controversial issue up to that date or since.

That being so, I am sure it will be unnecessary and even presumptuous on my part to discuss the merits of the case. The highest court in the world, the parliament of man,

has passed its judgment. In legal language, the matter is *res judicata*. The issue has been settled. In cannot be tried all over again, and there is no room for revision or reversion.

I think it is fair to say that the Jews, although very much disappointed by the decision, have expressed their willingness to abide by the terms, but it is also true that the Arabs have from the start objected strongly to the united nations dealing with the problem and their objections have not been confined to mere threats. It remains to consider what course Canada and the united nations will follow in the future.

If the united nations decision is to mean anything, it must be implemented, and the question is, how is that to be done. Well, we must first, I think, accept some basic facts upon which to predicate our future policy. In the first place, the united nations' decision which does the maximum of justice to both sides is final. The Palestine case has been settled and I am sure that we shall have no part of any manipulating so as to make it appear that the opposition to partition is so formidable that the plan cannot be carried out.

We cannot afford to retreat in the face of force. True, the threads that we have spun have become knotted—it is our task to help unwind the knot.

Fact No. 2 is that Canada has freely and wholeheartedly committed herself to participation in the united nations on many occasions, but particularly I have reference to page 1282 of *Hansard*, on the orders of the day, where the hon. member for Rosetown-Biggar (Mr. Coldwell) asked the following question:

> In view of the grave warning made by the Palestine commission to the security council yesterday that "a tragic and dangerous precedent" will be established if force or the threat of force is allowed to thwart the decision of the united nations, is the government prepared to accept its share of responsibility in such action as may be taken by the security council with a view to averting further bloodshed in Palestine and implementing the assembly decision?

The answer given by the right hon. the Secretary of State for External Affairs (Mr. St. Laurent) was:

> In answer I can only state that Canada accepted full responsibility under the charter of the united nations and has at all times been pressing to have all the organs of the united nations set up in accordance with the charter and in such a manner as to make the charter fully effective. There is no intention of not complying with the requirements both of the letter and of the spirit of the charter.

No more heartening words have been uttered in this house. Those words can only mean that, whatever the decision and whatever the obligations, Canada will contribute her full share towards carrying them out according to her means and her ability, whether it be in Korea, Trieste or Palestine. True, to do so may well involve us; but it seems to me we might as well get involved in peace, for if we do not we shall certainly get involved in war.

Fact No. 3 is that the British government mean business when they say that they are getting out of Palestine.

Fact No. 4 is that the united nations cannot leave a vacuum in Palestine. The surrounding Arabs have said in no uncertain terms what they intend to do, and today across Palestine falls the Arab vendetta. This house must well remember that Hitler defied the league of nations, and you know the rest. The league was discredited and it died. We want the united nations to live.

The Arabs today defy the united nations. What will be the result? I recall again to this house Ethiopia and Manchuria. I want to avoid similar consequences. Today the authority, the prestige and the very existence of the united nations is being challenged, and it cannot be settled by fine notes, strong resolutions or back-tracking.

Fact No. 5 is that the Arabs are directly or indirectly getting arms and infiltrating into Palestine.

Fact No. 6 is that the Jews in Palestine are not being reinforced by arms or men from outside. None the less, scarred by the heat that burned six million of their fellowmen, they are determined to fight with whatever arms they have. The Jews today are left without means to defend themselves. In fact, they are denied means to defend themselves. They are not permitted to import arms; they are not permitted to import people to fight; they are not permitted to organize an army from their own resources.

It seems to me that if the makers of the united nations' decision are not themselves ready to enforce it, they ought surely to permit the legatees to defend their ward. Surely if the world will not let these people in Palestine live in peace and liberty, live decently, it should at least give them an opportunity to die not as their brothers did in Poland and in Germany, but to die in defence of their own homeland.

I think it cannot be too strongly emphasized that the basic issue which confronts us at the present time is not Arabs versus Jews. There is more involved here than the lives of Jewish settlers and Arab tribesmen. It is collective

security; it is moral force; it is either one world or two worlds. If it is to be two worlds, then we had better get on with the task of building bigger and better atom bombs and dust off the old ones we have on the shelves at the present time. If it is to be one world, now is the time to make our influence felt in the united nations to avoid the prospects and the dangers of a third world war. I think the question is whether a decision of the united nations is to be openly flouted, and the answer to that question will involve not only the fate of Palestine but also the fate of the united nations and of the world. If the nations are not prepared to honour their commitments under the united nations charter, then the delegates might as well pack their suitcases and go home. It is not a christening they are attending at Lake Success; it is a wake. And if the united nations fails we are back to the naked tactics of balance of power diplomacy and ententes which will lead us inevitably to a third world war just as they led us to the first two.

Since the Palestine decision is a united nations decision, it must be implemented by all the nations. There is no room for unilateral action, pipeline diplomacy or for playing it safe. The inescapable truth is that there is no solution to the Palestine crisis without United States leadership, participation and responsibility. What action we took at the united nations was taken with our eyes wide open. We calculated the risk and we took it in the interests of peace. The price of failing to implement the action is an uncalculated risk far more hazardous and dangerous. From everything I have quoted here today it is clear that we are prepared to carry out our proportionate share, but we cannot be expected to carry out more than that. Under these circumstances I do not believe that the frontier of our homeland is our boundary. I recall the statement made by the late President Roosevelt in 1940, that the frontier of America was on the Rhine. Since then it has extended across the whole world. In our support of the united nations and all it stands for, it may well be that the frontiers of Canada are not only on the Jordan but on the Yalu.

Let us consider for a moment the alternatives to implementation of the united nations decision. Well, we can do nothing—in which case the consequence will almost certainly be civil war; and this, it should be noted, on Russia's back doorstep. The danger involved in allowing Palestine to become the Spain of world war III surely precludes a policy of non-intervention. The united nations might recruit troops from the national armies of its member states. This possibility should be seriously considered. None the less it should be clear that we, the smaller nations, are not there to pull the chestnuts out of the fire for the big five. A volunteer united nations force might be recruited from the member nations. This has the disadvantage that the united nations has neither the time nor the facilities to train a volunteer army. In any event, this is not a task for adventurers, enthusiasts or mercenaries. The united nations might recruit a militia in Palestine to keep order. The experience of Britain in raising a Palestinian home defence army known as Haganah, which she did during the war, would commend this as a feasible alternative, although I am quick to admit that it too has some obvious objections. It has been suggested that the united nations freeze the situation in Palestine and bring the matter back for further discussion and compromise. This is no more acceptable than the do-nothing policy which I first suggested. Events have gone too far to permit of any protracted reconsideration at this time. The decision has been made. To modify under pressure is to encourage more pressure. All this will do is to give the Arabs, with their open supply lines and free communications, an opportunity to pour men and arms into Palestine. Finally, one great power might take over the job. But which one? Russia would certainly object to a United States army in Palestine just as strongly as the United States would object to a Russian occupation force. The united nations veto would certainly kill any such proposal. While all this goes on in Europe, shade by shade, the iron curtain grows, the lights are dimmed one by one and from one nation after another comes silence.

It may be that the method of implementation is not for Canada to decide, but this much is certain: that since we shall participate in whatever plan is ultimately adopted, we must consider the alternatives carefully; for we are not a nation that talks united nations and acts unilaterally.

Palestine is the supreme test of the united nations. The eyes of the world are focused on this small yet highly strategic land. It is a test because we are witnessing something unique in history, namely, the replanting of a people. The Jewish people have initiated the rebirth of human and spiritual values in Palestine. They have developed the economy of the country, established industries and reclaimed land which had lain barren for centuries. Their long fight has finally been recognized by the united nations, and the united nations decision means that one more democratic nation has joined the world.

Canada fortunately at this time possesses statesmen of international stature both in office and public service. I am impressed by the tremendous confidence the rank and file in this country have in the present Secretary of State for External Affairs. The same is true of the Minister of Justice, who was our spokesman at Lake Success. And there is great comfort in the knowledge that we have in the public service men like Lester Pearson and General McNaughton. Here is an opportunity for Canada to play an even more important role; to act as the conscience of the united nations in the interests of peace, to bring together the great English-speaking nations of the world and in that way apply her talents and her good will in helping solve the problem of implementation as magnificently as she helped the united nations reach a decision on partition.

Let us not lose sight of this all-important fact. The united nations must implement the decision, and the main responsibility lies with the great powers. To fail now is to cast dark shadows, yes, to extinguish for a time justice and honour and freedom and liberty. I implore this government to rise to the occasion; for if the united nations fails at this time it bares its impotency before the world and becomes a spent force. I am certain that is not the wish of the people of Canada. As for me that is an impossible and unthinkable position for this world to find itself in at the present time.

On motion of Mr. Aylesworth the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. ST. LAURENT moved the adjournment of the house.

He said: It is intended tomorrow to proceed with the resolution standing in the name of the Minister of Trade and Commerce preceding a bill to amend the Canadian Wheat Board Act. If that resolution is disposed of we shall take up the one in the name of the Minister of Agriculture (Mr. Gardiner), No. 8 on today's order paper, preceding a bill to continue the Agricultural Products Act in force until March 31, 1949. Should those two resolutions be disposed of, the Minister of Veterans Affairs would ask the house to revert to government notices of motion and take up the resolution standing in his name setting up a committee on veterans affairs.

Mr. MacNICOL: What will be taken up after eight o'clock?

Mr. ST. LAURENT: I understand that for the first hour private bills will be taken.

Motion agreed to and the house adjourned at 10.55 p.m.

HOUSE OF COMMONS

Friday, February 27, 1948

The house met at three o'clock.

PRIVILEGE

MR. ARGUE—REFERENCE TO REPORT IN MONTREAL "GAZETTE"

Mr. H. R. ARGUE (Wood Mountain): Mr. Speaker, I rise to a question of privilege arising out of an article appearing in the Montreal *Gazette* of Friday, February 27. It is headed "H. A. Argue gives dig at Saskatchewan government on Wheat Board Act". My initials, Mr. Speaker, are not H. A., but H. R. Further, I was not digging at the Saskatchewan government, and my further point of privilege is contained in the first sentence of the article, which reads:

With an election in the offing in Saskatchewan the government's forthcoming resolution to amend the Canadian Wheat Board Act to provide for controls over oats and barley similar to those now on wheat "is a good political gesture at this time." H. A. Argue (PC)—

I object, Mr. Speaker, to that very degrading indication that I am a member of the Progressive Conservative party.

Mr. GRAYDON: On the same question of privilege, Mr. Speaker, there is no rule so far as I know which prevents any person from paying a compliment to a member of the house.

RAILWAY GRADE CROSSING FUND

INCREASE IN AMOUNT TO BE APPROPRIATED FOR NINE YEARS FROM APRIL 1948

Hon. LIONEL CHEVRIER (Minister of Transport) 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 increase the amount to be appropriated for the railway grade crossing fund from $200,000 to $500,000 each year for nine years, commencing on the first day of April, 1948.

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

Motion agreed to.

CZECHOSLOVAKIA

THREE-POWER STATEMENT—EFFECTS OF RECENT CHANGES ON CANADIAN RELATIONS

On the orders of the day:

Mr. GORDON GRAYDON (Peel): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs, of which I have given notice to his parliamentary assistant, having been unable to reach the minister. The minister may want to defer an answer until later or make a statement now. Does the government endorse and approve the three-power statement issued yesterday by Great Britain, France and the United States respecting Czechoslovakia? What immediate effects, if any, will the recent change in the Czechoslovakian government have on our relations with that power in the diplomatic, financial and trade fields?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): To the first question all I can say is that the statement published in the newspapers has not been before the government for consideration. To the second question, the matter of our future relations, financial and otherwise, with Czechoslovakia is now under consideration, and that consideration probably will not be completed until we get more accurate and fuller official information. When it is completed and a decision has been arrived at, it will be announced to the house.

CRIMINAL CODE

AMENDMENTS RESPECTING SUPERNUMERARY JURORS

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct a question to the Minister of Justice. Today's press reports a circumstance that has been recurring with some frequency of late, namely, criminal trials having to be declared abortive because of illness of one or more jurymen. The question I wish to ask the minister is this: is consideration being given to amending the criminal code to the end that one or two supernumerary jurymen will be sworn in at

the time a criminal jury is empanelled so that the difficulty I have mentioned will be obviated?

Right Hon. J. L. ILSLEY (Minister of Justice): Consideration has been given to taking some steps by way of amendment to the criminal code to meet the situation complained of, but whether the steps will be those outlined by my hon. friend remain to be seen.

Mr. DIEFENBAKER: Something will be done?

Mr. ILSLEY: Consideration is being given to something being done.

Mr. HACKETT: Will the minister say whether there is any hope that the revision of the criminal code which has been under discussion for some time may be initiated this year?

Mr. ILSLEY: I expect to make an announcement later in the session as to the appointment of a commission or body of some kind to undertake a revision of the criminal code, but a question arises as to what powers these commissioners should be given. In all probability their duties should be different from those commissioners who are appointed to revise the statutes. That also is a matter to which consideration is being given.

VETERANS AFFAIRS

POSTAL SERVICE—RELEASE OF TEMPORARY LETTER CARRIERS FROM EMPLOYMENT—QUESTION OF QUALIFYING BY EXAMINATION

On the orders of the day:

Mr. G. R. PEARKES (Nanaimo): Mr. Speaker, may I direct a question to the Postmaster General? Are ex-servicemen being released from employment as temporary letter carriers in Victoria, B.C., on the grounds that they failed to qualify at a civil service examination? If so, will the Postmaster General waive the necessity of passing these examinations in the case of ex-servicemen who have given satisfactory employment for periods of over twelve months as letter carriers?

Hon. ERNEST BERTRAND (Postmaster General): This is a question which will be answered by the minister who has the civil service commission under his jurisdiction. However, I might say that if a returned man tries an examination and does not succeed, we keep him on for some time and try to give him a chance to pass another examination later on. Of course if he fails in two examinations we have to replace him.

[Mr. Diefenbaker.]

SINGLE STUDENTS TRAINING ALLOWANCES

On the orders of the day:

Mr. G. H. CASTLEDEN (Yorkton): I should like to direct a question to the Minister of Veterans Affairs. What recent steps have been taken to increase the amount of $60 payable to single student veterans while in training in Canada, to make it possible for them to meet the rapidly rising cost of living?

Hon. MILTON F. GREGG (Minister of Veterans Affairs): Mr. Speaker, no steps have been taken to increase the allowances of single veteran students on vocational training or at universities, except to those who have fully dependent parents, and in these cases the increase is $10 a month per parent.

WHEAT

PRAIRIE FARM ASSISTANCE—OVERPAYMENTS UNDER WHEAT ACREAGE REDUCTION SCHEME

On the orders of the day:

Mr. F. S. ZAPLITNY (Dauphin): I should like to direct a question to the Minister of Agriculture. Is it the policy of the Department of Agriculture to deduct overpayments made under the wheat acreage reduction scheme from payments now being made to farmers under the Prairie Farm Assistance Act? If so, will the minister tell the house under what authority this is done.

Right Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, I shall have to inquire into the matter and answer later.

FISH

QUESTION OF SHIPMENT TO EUROPEAN COUNTRIES FOR RELIEF PURPOSES

On the orders of the day:

Mr. W. CHESTER S. McLURE (Queens): I should like to direct a question to the Minister of Fisheries. Has the minister made any contracts, for the sale of maritime processed fish, with European countries for relief purposes? If not, when can it be expected that this will be done?

Hon. J. A. MacKINNON (Minister of Fisheries): Mr. Speaker, the hon. member for Queens gave me notice of his intention to ask this question. In reply I wish to say that no firm contracts have yet been entered into by the Canadian government or foreign relief agencies for the purchase of fishery products in Canada. Negotiations are currently under way for the sale of a relatively small quantity of Atlantic coast dried fish and Pacific coast

canned herring under the United States aid to Greece program. All departments of government concerned are making efforts to have Canadian fishery products included in the current and prospective European relief programs.

HONG KONG

REQUEST FOR PRINTING OF COMMISSION EVIDENCE

On the orders of the day:

Mr. GORDON GRAYDON (Peel): May I direct a question to the acting leader of the government? When the evidence of the Hong Kong commission is tabled in the house will the government give consideration to having copies printed so that it will be available simultaneously to the press gallery and to the public in order to avoid any congestion that perhaps may normally arise in connection with a matter of the kind?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I am not as conscious as the hon. member seems to be of the probability of there being congestion to secure copies of the evidence when it is tabled. All that I can say to him is that the question he has asked will now appear in *Hansard* and it will be given consideration.

BEEF

INCREASE IN COSTS OF FEEDING—REIMPOSITION OF PRICE CEILING

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, may I direct a question to the Minister of Agriculture? Has it been brought to the minister's attention how seriously the costs of feeding beef have increased within the last year? When may the house expect an answer to the question I asked the government yesterday?

Right Hon. J. G. GARDINER (Minister of Agriculture): The first part of the question is not a question; it is a statement which is not a fact. The other part of the question does not apply to my department.

CANADIAN WHEAT BOARD ACT

PROVISION FOR EMPLOYEES' PENSIONS, MINIMUM PRICE ON WHEAT DELIVERIES, ETC.

Right Hon. C. D. HOWE (Minister of Trade and Commerce) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill to amend the Canadian Wheat Board Act, to authorize the board to provide pensions for members, officers and employees and to make provision for the increase of the fixed minimum price on wheat deliveries; to extend the control of international movements of wheat products and to empower the governor in council to extend the present system to oats or barley.

He said: The purposes and essential features of the bill to amend the Canadian Wheat Board Act, which will be founded on this resolution, are fourfold, as follows: (a) to make provision for pensions for members, officers and employees of the board; (b) to provide authority to increase the $1.35 fixed minimum price, and to make corresponding increases in payments to producers who have delivered, or will deliver, wheat to the board within the five-year pool period; (c) to extend the control of interprovincial movements of wheat to wheat products; (d) to empower the governor in council, by regulation, to extend to oats or barley the regulations now applicable to wheat.

The proposed amendments are important to every grower of wheat and coarse grains, and in fact to consumers of coarse grains. Growers of wheat will find an urgency in the passage of these amendments. The first three amendments should not be contentious, and while there may be differences of opinion regarding the wisdom of the fourth amendment, I trust that debate at least in the resolution stage need not be unduly prolonged.

Before discussing the merits of the amendments, it may be worthwhile to review briefly the history of the wheat board and its present responsibilities. The origin of the Canadian wheat board can be traced back to the board of grain supervisors established in 1917, which directed the marketing of Canada's wheat during the war period and until 1920 when it was abolished. The government resumed its activity in wheat marketing in 1931 by undertaking stabilization activities which unfortunately failed in their objective in that there was little stability in wheat prices from 1931 to 1935.

The present Canadian wheat board was established under the Canadian Wheat Board Act of July 5, 1935. The board now consists of three commissioners and an eleven-man advisory committee. The primary function of the board has remained the handling of wheat, but during the war in particular it was assigned a number of other functions, such as rationing elevator space, handling, on various occasions, flaxseed, soy beans, sunflower seed, rapeseed, the equalization funds for oats and barley, the administration of drawbacks in respect to flour and other wheat products, and the minimum support and ceiling prices for

oats and barley. The most important change in general policy took place in 1943, when the government took over, through the board, all stocks of unsold cash wheat and stopped trading in wheat futures on the Winnipeg grain exchange. At that time the board became the monopoly trader in all wheat moving in interprovincial or international channels.

Throughout the war years, Canada provided practically all the import wheat consumed in the United Kingdom, and special arrangements were made to give the United Kingdom priority in obtaining its continuing requirements of wheat. In 1946 a four-year contract was made between Canada and the United Kingdom, involving purchase by the United Kingdom of 600 million bushels of wheat in the four year period ending July 31, 1950. In order to enable Canada to carry out its obligations under this contract, the wheat crops grown in the years 1945, 1946, 1947, 1948 and 1949 were pooled, and the present wheat pool act provides that initial payments on wheat delivered to the pool will be based on $1.35 per bushel.

The last ten years have seen a full cycle of problems in the marketing of Canadian wheat. The first phase from 1938 to 1942 saw the steady accumulation of record supplies, which reached a carryover of some 600 million bushels in July 1943. During this period, the handling and storing of these unprecedented quantities of wheat was the major administrative concern of the board. In the second phase, from 1942 to date, somewhat lower production and increasing demand has reversed the trend and the problem is becoming one of moving stocks to seaboard as rapidly as possible. The carryover was reduced to 73 million bushels, as at July 31, 1946, and will probably be little more than that at the end of the current crop year.

As would be expected, in the light of these huge shifts in the supply and demand situation, major adjustments have been required from time to time in board policies, and amendments to the wheat act have in fact been necessary each year. This year is not an exception. Although there is no important new element in the picture, the continued failure of supply to overtake demand has created new situations, which render further amendments to the wheat board act desirable.

An obvious requirement is a pension fund for the staff of the board. The Canadian wheat board has been operating continuously since 1935, and up to the present time, but no provision has been made for a pension for any member of the staff. The proposed amendment provides the board with authority to establish a pension fund with the approval of the governor in council. A scheme is contemplated which would require contributions equally from employees and the board. The contributions of the board to the fund would be considered part of the expenses of the board's operations. This is, of course, increasingly recognized today as a necessary expense of doing business. It may be questioned whether, on balance, it should be considered merely as an expense. In many cases, the automatic saving and security provided by a pension are valued more than an equivalent increase in pay, enabling the employer to hold trained personnel and to reduce costly turnover. When the bill is in committee I shall be able to give figures as to the number of employees involved and the approximate cost, but I think it is sufficient to say, at this stage, that it is intended that the pension plan, when introduced, will be similar to the superannuation provisions for civil servants generally.

The second amendment deals with an increase in the initial payment for wheat delivered to the five-year pool. Practically final results on two of the five years involved in the pool are now available. The 1945 wheat deliveries totalled 235·4 million bushels, and the Canadian wheat board holds a surplus of approximately $44,000,000 on this crop. The 1946 deliveries totalled 333 million bushels and the board holds a surplus of about $110 million derived from this crop.

The 1947-48 crop year is more than half completed, so it is possible to make fairly close calculations for this current year. The board estimates wheat deliveries at only 270 millions, which leaves about 20 million bushels for sale at class 2 price, outside the domestic and United Kingdom markets. Most of the wheat is either sold, or is committed, at the fixed domestic or United Kingdom prices. Therefore, it is fairly safe to estimate that there will be a surplus of about $80,000,000 on the 1947 crop.

There are, of course, many unknown factors concerning the 1948 and 1949 crops at this time. We do not know what the production and marketing will be, and our assumptions can only proceed on the basis of average crops. The market possibilities are also somewhat obscure but the Canada-United Kingdom wheat agreement provides for the sale of 140 millions at $2.00 per bushel in 1948-49 and the same quantity in 1949-50, the price for this latter year to be settled later. We must re-emphasize that there are major hazards in attempting, at this time, to arrive at the financial position of the five-year pool as at its terminal date, July 31, 1950, when

we now have complete information for two crops, incomplete information for the current year, and only a few guides for the last two crop years.

However, it does now appear that the guaranteed initial payment of $1.35 a bushel for No. 1 Manitoba northern, basis Fort William-Port Arthur or Vancouver, provided for in the act, is lower than necessary to maintain a prudent margin over the five-year period. It is consequently proposed to raise that payment. The proposed increase will, of course, be applicable to the 1945, 1946 and 1947 crops already delivered or being delivered, and to the 1948 and 1949 crops.

The amount of the new initial payment, or sum certain, is not included in the bill. Instead, the government is taking power to increase the initial payment from time to time, whenever the cash position of the pool would appear to justify such action. Any such increases in initial payment will of course be retroactive to producers who have already sold and delivered wheat to the pool, within the pool period, and will represent a guaranteed price for future deliveries of wheat to the pool, for the balance of the pool period. It is the wish of the government that, if prices continue strong, the advantage shall not be withheld from the producer, and that steps shall be taken to pass on the benefits as quickly as the circumstances may warrant.

The amount of the increase in the initial payment now contemplated will not be announced until this bill becomes law. The reason, I think, is obvious. Should these amendments fail to receive approval, the government would have no power to increase the amount of the initial payment that is at present specified in the wheat board act. There would be no purpose in debating the subject of price at this time, as this must be a matter for the government to decide. I am sure that there will be less confusion and less expenditure of time if we consider the amendments covered by the resolution which have to do with the general principles of procedure and operation of the board, without bringing in the question of the amount of the proposed increase in the initial payment.

The third amendment proposes to include control of wheat products as well as wheat. The Canadian Wheat Board Act now prohibits the sale or movement of wheat from one province to another province, or outside Canada, unless the wheat is the property of the board or the movement is permitted by it. There is, however, no control over the movement of wheat products across provincial boundaries. I am advised by the wheat board that, since something over 100 million bushels of wheat are now annually milled in Canada, of which about half is for the domestic market, the lack of control over interprovincial movements of flour could be a source of serious weakness in maintaining effective control of the basic wheat situation.

The fourth amendment proposes to empower the governor in council by regulation to extend to oats and barley the regulations now applicable to wheat. Strong representations favouring the marketing of oats and barley through the wheat board have been received from farm organizations in both western and eastern Canada, among them the Canadian council of agriculture. The government desires to meet the wishes of farm organizations in this regard, provided a workable plan can be agreed upon. However, the government is well aware that the compulsory marketing of oats and barley through the board represents serious difficulties. The success of such an enterprise must be dependent on a large measure of agreement on policy matters as between organized farmers of both the producer and the consumer class, as well as on the co-operation of provincial governments. Therefore this government will wish to have concrete evidence of such agreement and such co-operation before it can assume the responsibility for putting this amendment into effect.

The difficulties of which I speak stem from the basically different uses made of wheat on the one hand and of oats and barley on the other. Wheat is pre-eminently a grain for human consumption, "the staff of life," the most efficient and economical foodstuff known to the human race. About three bushels out of every four of the Canadian crop are consumed as food by people at home and abroad and, of the balance, about half is required for seeding the next crop. The great bulk of the crop—on the average over eighty per cent—must be moved across interprovincial and international boundaries. Consequently the federal government can, under its legal responsibilities, regulate and have effective control of the wheat trade as a whole.

Oats and barley, on the other hand, are pre-eminently animal feed crops. Human use, including porridge, beer and whisky, amounts to less than two per cent of the oats crop and five per cent of the barley crop of Canada. In fact, only about thirty per cent of the oats and forty per cent of the barley ever leave the farms on which they are grown, except in the form of livestock. A large proportion of these grains that leave the farm are sold as feed or seed to other farmers. In recent years only about twenty per cent of the prairie oat and

barley crops have moved, under the government's freight assistance policy, to eastern Canada or to British Columbia. Incidentally this is a far greater proportion of the crop than had ever moved out of the prairie provinces prior to the initiation of the government's freight assistance policy.

Normally a relatively insignificant portion of these crops moves into export. In short, the movement of oats and barley is from farmer to farmer. This presents peculiar problems in establishing and maintaining prices which would be accepted as fair in both the east and west, under a federal government monopoly of interprovincial trade. To put it another way: while the wheat board is handling wheat it is primarily concerned—to quote the Canadian Wheat Board Act—with "promoting the sale of grain, produced in Canada, in world markets." The wheat board, in handling oats and barley, would be concerned primarily with sales of western grain to eastern farmers, at prices that both seller and buyer will consider fair and reasonable. I am informed that at a recent meeting of the Canadian federation of agriculture this possible conflict of interest between farmer buyers and farmer sellers was recognized.

Mr. SMITH (Calgary West): Was that "recognized" or "reconciled"?

Mr. HOWE: Recognized. The point I am making is that while wheat, oats and barley are all classed as grains, their marketing, from the point of view of their place in the whole mechanism of production and trade, as well as their use and customary manner of handling, are quite different and distinct. This raises not only practical marketing problems but also constitutional questions. As my colleague the Minister of Justice (Mr. Ilsley) observed last year, speaking of the dominion government entering this field alone—if I may be allowed to paraphrase him—a scheme that would work for oats and barley would not be constitutional, and a constitutional scheme would not work.

It is with this dilemma in mind that we are introducing the present legislation. There is no question of the dominion's constitutional authority to regulate interprovincial trade or export trade in oats and barley, but there is very considerable doubt as to whether that limited power would in itself provide effective control of commodities which are so largely marketed locally. This amendment to the wheat board act will open the door as far as the federal government is concerned. The next step will be to determine whether the three provincial governments most directly concerned—that is, in the prairie provinces—wish to join with us in placing compulsory regulation of the trade in oats and barley in the hands of the wheat board.

Presumably this could be done most conveniently by use of the device known as "conjoint" or "complementary" legislation. The device of "enabling" legislation, once employed in a number of fields of agricultural production marketing, has been held ultra vires by the privy council as a method of delegating provincial powers to the dominion. Co-operative arrangements have, however, been worked out and given the force of law in several fields of agricultural marketing, by "conjoint" or "complementary" legislation. In such cases the province or provinces concerned that wish to take advantage of the dominion legislation pass directly whatever complementary legislation is necessary and within their power, and appoint the dominion administrative agents as provincial agents as well. This may perhaps indicate a path for provincial co-operation which must be a preliminary to bringing this legislation into force.

The government is prepared to take whatever steps lie within its power to assist in establishing marketing arrangements that will help to maintain economic and stable prices for Canadian agricultural products. The government must, however, be satisfied that any given scheme for this purpose is a practical one, a constitutional one, a workable one and one that will command the support of the interested groups concerned. Until it is satisfied that these conditions have been met, the government will not be prepared to undertake the marketing of oats and barley through the wheat board. It will be noted in the resolution that marketing arrangements shall come into force only at the beginning of a crop year. I believe the attitude of the government in this regard will be understood by all hon. members who are familiar with grain marketing and related agricultural problems.

Mr. J. A. ROSS (Souris): Mr. Speaker, I listened very attentively and certainly with interest to the address just delivered by the new Minister of Trade and Commerce (Mr. Howe) on this resolution which reads:

> Resolved, that it is expedient to present a bill to amend the Canadian Wheat Board Act, to authorize the board to provide pensions for members, officers and employees and to make provision for the increase of the fixed minimum price on wheat deliveries; to extend the control of interprovincial movements of wheat products and to empower the governor in council to extend the present system to oats or barley.

The minister commenced his remarks by stating he thought the first two or three items

would not be controversial but that certainly the third might cause considerable debate. As he expounded his views on the resolution I think he certainly proved to this house that several of the amendments now being proposed will be rather contentious.

The minister said the wheat board act came into being in 1935 and that the first important change was made in 1943, when it took over the handling of all wheat in this country, I believe under the war measures act. Then he went on to deal with the various amendments proposed. The first had to do with pensions. He pointed out that authority was to be given to the board to provide pensions for its officers and employees on a contributory basis, fifty per cent being contributed by the employees and fifty per cent by the board, which means that, since the board's contribution comes out of the board's funds, ultimately that portion of the cost will be borne by the grain producers of the country.

Then the minister went on to deal with the initial payment, and made the remarkable statement that the amount of the initial payment would not be embodied in the bill. He set forth the surplus for the 1945 crop year, which we all realize is the last complete year we have, since the complete report for 1946 is not in yet. The minister gave an estimate of $110 million and a further estimate for the crop year 1947, which we are about half way through, of some $80,000,000. I believe the total of the figures he gave is about $234 million. The amount he gave for 1945 is not identical with the surplus shown in the wheat board report for that year but the two figures are within a few million of each other; and in these days, with all the things the minister is doing and all the things he did in the past, I suppose we should not quibble about a few million dollars.

I do not know whether it is parliamentary to term a bill political trickery, but honestly I have never seen another bill of this nature introduced in this house. The minister went on to speak of the third amendment, which will deal with the movement of wheat products within the country; and the fourth, which he said from the start might be very controversial. The minister said compulsory marketing often gives rise to very serious difficulties, and I believe he referred to a statement made some time ago by the law officers of the crown. This all seems remarkable when we think of the debate that took place in this house about a year ago on another bill to amend the wheat board act. That bill was passed by this house on March 13, 1947, and during the discussion there was quite a controversy. At that time no mention whatever was made of the amount of wheat to be delivered to the United Kingdom during the four-year period referred to; and that point has been mentioned again today. Nor during those discussions was there any mention in the bill of the price to be paid by the United Kingdom under that contract. So when anyone says that after many objections and amendments to the bill of last year a great many on this side of the house voted for the United Kingdom-Canada wheat agreement in its entirety. I maintain that is hardly the fact. I voted for the Canadian wheat board, as I have always done, and I continue to be a supporter of the board. But I want to say we have never had an opportunity in this house to vote on the United Kingdom-Canada wheat agreement by itself, in its entirety.

Mr. HOWE: *Hansard* says differently.

Mr. ROSS (Souris): I followed the debate closely; I have read *Hansard* carefully several times, and I maintain that is not a fact. We have never opposed the gift to Britain. We have always said they deserved it, and that by all means we should give it to them, but that the cost should be borne by the taxpayers of Canada. We have never voted to saddle the producers of this country with that unfair burden, nor were we ever given the opportunity to vote on that question by itself. In the debate last year the hon. member for Yorkton (Mr. Castleden) moved an amendment, which is to be found at page 857 of *Hansard* for February 27, 1947, as follows:

> The provisions of this act shall be made applicable to oats, barley, rye and flax, and shall *mutatis mutandis* apply to such kind of grain as they apply to wheat.

I followed the hon. member, and at page 858 of *Hansard* I opposed such legislation as giving altogether too much power to the government to proceed by order in council. I have always opposed legislation by order in council in peacetime. I went on to say:

> Today our producers have no idea how their coarse grains may be handled during this coming crop year—

That was in 1947, and the same thing is going to apply in 1948. I could go into a great deal of detail, but I can tell you there is quite a controversy among the barley producers of the west as to what their plans should be for 1948, especially if the embargo is continued which shuts them out from their natural market for malting barley. Following my remarks last year the Minister of Agriculture had this to say, also at page 858:

> I am quite certain that neither the farm organization nor the farmers generally would want the act to go quite that far . . . Wheat,

as we grow it in western Canada, is grown intentionally for the purpose of feeding human beings . . . Therefore we set down a certain method of marketing it. Oats and barley, on the other hand . . . are grains which are grown largely for the purpose of feeding them on the farms where they are grown or of selling them from one farmer to another—

I believe the Minister of Trade and Commerce covered that same point in his remarks a few moments ago. Following that the Minister of Justice had this to say, at pages 865 and 866:

. . . wheat being mainly an export commodity . . . we think we keep within the confines of our constitutional powers when we deal with wheat. But the law officers tell me that the situation would be much more doubtful when you are dealing with commodities which are predominantly sold in Canada. Take a commodity three-quarters of which is sold in Canada or within the provinces . . .

That is certainly the situation at present with respect to oats and barley. There is an embargo which prohibits the shipment out of Canada of any oats or barley except for seed purposes. The minister said his law officers had informed him that it would be unconstitutional—

Mr. DIEFENBAKER: But this is an election year.

Mr. ROSS (Souris): I said I had never seen such a bill introduced in this house, nor had I read of such a bill in the history of this nation. I think those of us who have lived with this wheat board act will agree that the board was brought into being to market wheat, which is an export commodity, and to obtain the best price possible for the producers. I do not think there is any argument at all about that. Throughout the war years, under the war measures act, and today by legislation the board has been and is being used as a price control agency, to keep the price down. Instead of setting floor prices for the producers it is setting ceiling prices. It has been subsidizing the consumers of Canada and Great Britain and is doing so today. That was not the original thought when the wheat board was brought into being. I have pointed out at various times in the past what the operations of this board and price control measures in Canada have cost the producers of this country. I know there is some argument about having exact figures in the matter. However I have used the Searle index in the past, and I shall continue to use it. Speaking in the house at this session I pointed out that according to their figures, from 1943 until December 1947 wheat producers had suffered a loss of $857 million, represented by the difference between the world price and the price offered by the Canadian wheat board. I repeat that statement. That is what it cost Canadian producers in the matter of wheat alone.

The minster has dealt with figures to which I have already referred relating to surpluses for three years, both actual and estimated. I placed a question on the order paper, in response to which I received a return, and in that return are figures showing the bushels of wheat handled by the wheat board in 1945. The bushelage is placed at 237,297,000, and the surplus in the report is $39,000,000 some odd. The total bushels of wheat handled by the board in 1946 is given as 335,108,000, and for 1947, the present marketing year, it is estimated that the board will handle 270,278,000 bushels. The total for three years is 842,684,414 bushels of wheat. That is what I presume we are chiefly concerned about in the resolution at this time, namely the total bushels of wheat handled by the board in those three years.

The total figures the minister put on record a few minutes ago amounted to $234,000,000, actual and estimated. So that is the amount which will have to be divided over this amount of wheat. I cannot for the life of me understand why an initial payment price is not embodied in the bill at this time. Once we were away from the house last year the ex-minister of trade and commerce made speeches throughout the country, and other ministers of the government also made speeches, stating that there would be payment of at least 20 cents a bushel made as soon as parliament assembled at this present session. Now we have before us this vague measure suggesting that in the amending legislation no price will be embodied in the bill. We have that factor. There has been reference to the movement of wheat products, and the suggestion has been made by order in council as to how oats or barley may be handled. The minister himself points out in the same remarks just how unconstitutional the matter is.

If there ever was a measure brought into parliament for members of the government to flout at election time across this country, to play it both ways, then you certainly have it in this measure.

Mr. HOWE: Who is having the election?

Mr. DIEFENBAKER: Saskatchewan.

Mr. ROSS (Souris): I said for election purposes when an election comes along. There is certainly one in Saskatchewan this year.

Mr. HOWE: Which side are you on in the Saskatchewan election?

Mr. ROSS (Souris): I do not know much about it. I have not been around there much.

Mr. MARTIN: Everybody is for Tucker.

Mr. ROSS (Souris): I shall have more to say later on about this measure. However in view of the resolution as it is worded on the order paper, and more especially in the face of the remarks placed on record today by the Minister of Trade and Commerce, who is sponsoring the resolution, and in order that hon. members may have an opportunity to deal with the different and very important principles involved in the resolution to be embodied in a bill, I move, seconded by the hon. member for Calgary East (Mr. Harkness), the following amendment:

(a) That the words "a bill to amend The Canadian Wheat Board Act" be struck out and that the words "three bills" be substituted therefor.

(b) That the words "Canadian Wheat" be substituted immediately before the word "Board" in the third line of the resolution.

(c) That the following words be added to the resolution:

"and that the said three bills shall relate respectively to:

(a) pensions;

(b) increased minimum prices on wheat deliveries;

(c) control of interprovincial movements of wheat products and extension of the present system to oats or barley."

I have already spoken about the great loss in the marketing of wheat. We find that oats and barley now become a controversial matter in this resolution. I hold in my hand some figures taken from the Sanford Evans statistical bureau for the calendar year 1946. There may be some in the house who would dispute these figures, but I would point out that this bureau has a good reputation. Added to this is the great loss to the producer on the marketing of coarse grains and livestock. In the calendar year of 1946 the average difference as between the United States and Canada amounted on coarse grains to $88,447,000. On livestock in western Canada the amount was $169,125,000, and in eastern Canada $121,200,000, making a total of $378,772,000 in the one year of 1946. That has been going on ever since 1943.

On February 13, 1948, as reported at page 1198 of *Hansard*, the hon. member for Provencher (Mr. Jutras) attempted to take the Searle grain index bureau apart.

Mr. SINNOTT: And made a good job of it too.

Mr. ROSS (Souris): May I say before going further that I have known the head of that bureau, Major H. G. L. Strange, for a good many years. He had a very fine war record, and the bureau has done yeoman service for western agriculture in Canada for many years. I have no brief for any particular firm, but I can say that the Searle Grain Co. operate farms in Manitoba, and have one of the finest shorthorn herds in the prairie provinces. They have done a fine job in the prairies, as I have known them, and I am prepared to accept their figures and statistics. And if the member wanted to be fair he could have shown that all their figures are taken from government statistics. The figures used by the Searle grain research department cannot be successfully and truthfully contradicted by any responsible member of this house or elsewhere. All the figures used in compilations by the Searle research department and the Sanford Evans statistical bureau are taken from the dominion bureau of statistics, the Canadian wheat board reports and other publications under the authority of the Canadian government and other governments.

Mr. JUTRAS: Except the propaganda part.

Mr. ROSS (Souris): My hon. friend the young member for Provencher (Mr. Jutras), a school teacher by profession, and one who apparently is quite emphatic in denouncing the Searle research department for what he termed fictitious figures based upon an imaginative and unreal situation, put upon the record, to use his own words, a conglomeration of figures prepared by himself. I would refer hon. members to his speech of February 13 as it appears at pages 1198 to 1203.

Mr. JUTRAS: Is that strange? Use my own words.

The ACTING SPEAKER (Mr. Golding): Is the hon. member referring to a debate which took place this session?

Mr. ROSS (Souris): The debate in reply to the speech from the throne.

Mr. GARDINER: That is out of order.

Mr. ROSS (Souris): I wish to say that many of the figures used by the hon. member had no relation whatever to the actual figures of the Canadian wheat board or the dominion bureau of statistics, or to figures used by the Minister of Trade and Commerce when he discussed wheat in the house. The hon. member said that to come out boldly and say that the United States farmer gets $2.18 is absolutely erroneous. Had he wished to be fair he would have quoted from the Searle Grain Company's index of January 21, 1948.

The ACTING SPEAKER (Mr. Golding): Order. I hope the hon. member will not con-

tinue to refer to a speech made in the debate on the address, which is not before the committee at this time.

Mr. ROSS (Souris): I am just discussing wheat, Mr. Speaker, and I was going on to say if the hon. member had read further from that index he would have told you that the price paid to the farmer at North Portal, Saskatchewan, on January 20, 1948, was $1.20½, and that price was at the elevator. The price at the elevator at North Portal, North Dakota, was $2.87½. I used to travel in that district and I am prepared during the Easter recess to drive the hon. member for Provencher to North Portal at my own expense so that we can together check the records at the two elevators.

He was talking about prices on June 5. I have also the Searle Grain index he referred to, and I will read a line he did not read to the house:

American farmers just across the international line are today receiving the equivalent of $2.18 for their wheat.

Mr. GARDINER: Mr. Speaker, the hon. member is answering a speech made in the debate on the address. He has a right to make this speech in that debate, which is still continuing, but he should not in this debate reply to a speech made in the debate on the address.

The ACTING SPEAKER (Mr. Golding): I would ask the hon. member for Souris not to refer to that speech in this debate.

Mr. ROSS (Souris): I have already used up my time, Mr. Speaker, in the debate on the address, but I will defer to your ruling. I have already given the dates and pages of *Hansard* so that the people of this country can compare the hon. member's figures with mine.

I took the trouble to get some reports from Chicago, and have here a wire from the secretary of the Chicago board of trade which says "Wheat, $1.98½, June 5, 1946". Hon. members will recall that at that time our money was at a discount of ten per cent in the United States. Add ten per cent to $1.98½ and you get $2.18.

I have another wire here from the editor of Agricultural Prices, bureau of agricultural economics, United States Department of Agriculture, Washington, D.C., dated February 16, 1948, which reads:

Wheat price represents average price received by all United States farmers for kind and quality of wheat which was being sold on or about February 15, 1947.

The hon. member has brought my name into this discussion and said that I had so consistently placed certain figures on the record that one must inevitably come to the conclusion that had I the responsibility of administering the affairs of this country I would place the fate of the farmers in the hands of the Searle Grain Company. Anybody who comes from Manitoba knows what my stand is on farm producers, the grain exchange, and so on.

Mr. HOWE: On a point of order, Mr. Speaker, the hon. member is replying to a speech made on the address. Would it be reasonable to ask that he debate the resolution now before us?

The ACTING SPEAKER (Mr. Golding): I would ask the hon. member to refrain from referring to the debate on the address.

Mr. SINNOTT: I would like to ask the hon. member for Souris a question.

The ACTING SPEAKER (Mr. Golding): Order. I must ask the hon. member for Springfield to take his seat. Let me point out again that a member who has the floor must not be interrupted or asked a question without his permission.

Mr. SINNOTT: Have I the hon. member's consent?

Mr. ROSS (Souris): You certainly have.

Mr. SINNOTT: I heard the hon. member's statement as to his attitude toward the Winnipeg grain exchange. Now let us have it straight, yes or no. Are you in favour of it or are you not?

Mr. ROSS (Souris): If the hon. member heard what I said in the house or has read my speeches in *Hansard* he will know that my stand was plainly stated in the house.

Mr. SINNOTT: I have read your statements lots of times and you have never made a clear statement on the subject yet.

Mr. ROSS (Souris): In the last session of parliament, in answer to a question by the leader of the opposition (Mr. Bracken), the then Minister of Trade and Commerce (Mr. McKinnon) said that the spread was 77 cents and a fraction, and I prefer to take the minister's figures given at that time.

Major Strange, the head of the research department of the Searle Grain Company, wired the hon. member for Provencher challenging him to a debate. The hon. member's reply was: Let Major Strange get elected to the house and we will have a debate here. I have on several occasions in the past expressed my disapproval of members taking advantage of their position in this house to abuse people outside or distort facts when the person concerned has no opportunity to reply. It is not very courageous to do that. The Searle grain

bureau have rendered a great service to western agriculture, and they continue to do so; in my opinion the name of Major Strange is above reproach.

Mr. JUTRAS: The hon. gentleman has constantly stated that I applied my remarks to the letter and to the index. I specifically stated, and you will find it in two or three places in *Hansard,* that I was referring to the propaganda part of the letter. Of course, I am not disputing the market quotations given by the index. I was referring to the first part of the letter.

Mr. ROSS (Souris): I would be glad to answer a question but the hon. member can make a speech some other time.

The ACTING SPEAKER (Mr. Golding): I would ask hon. members to refrain from interrupting or asking questions without the permission of the hon. member who has the floor. That is entirely out of order. I will also ask the hon. member for Souris not to refer again to a speech made in the debate on the address.

Mr. ROSS (Souris): I think, Mr. Speaker, this is a pretty fair place for me to leave off. I want to repeat what I have stated before on many occasions, that I am a supporter of the Canadian wheat board. I believe that all members of the House of Commons should exercise a degree of tolerance, whether or not they agree with opinions expressed by other people in the country. A member enjoys certain advantages in the House of Commons and he should not take advantage of his position to attack those outside with whom he disagrees. I shall have something to say on this particular measure at a later stage.

Mr. T. J. BENTLEY (Swift Current): Mr. Speaker, I have been listening to this debate as well as I could in view of the noise on the other side of the house, and I was very glad when the Minister of Trade and Commerce (Mr. Howe) turned around to his followers and, I have no doubt, asked them to keep quiet. I hope he spoke in the same terms to them that he used to the labour men who approached him at the golf club.

I have listened attentively to the hon. member for Souris (Mr. Ross) dealing with this matter from his point of view, and I have also read the motion on the order paper. After reading the motion on the order paper I shall have to agree that the hon. member for Souris (Mr. Ross) has analysed it very well. It is distinctly a political document. I do not know that the minister who is piloting it through the house is responsible for it, but it has all the earmarks of our fellow Saskatchewan citizen the right hon. Minister of Agriculture (Mr. Gardiner). It certainly is worded in such a way that there is no earthly excuse for it, Mr. Speaker.

The amendment of the Progressive Conservative party asked that it be split into three bills. There is absolutely no reason why that should not be done. The motion that we are asked to deal with now is either a railroad motion or a delaying action motion, one or the other. It can only have one of two purposes to serve, so far as I can see. If we want these payments made immediately, and we do, then we must accept everything in the motion, regardless. If we want this matter of coarse grains to be included in the operation of the wheat board carefully considered by a committee of the whole house, or by a special committee, or by a standing committee, then we must be prepared to delay the payment for wheat on the 1945, 1946 and 1947 crops. There is no sound reason for the motion having been put before the house in that way. It could just as well have come before us in three bills as moved in the amendment by the hon. member for Souris. We certainly have three things to consider in it: one is the matter of pensions to the employees of the wheat board. I do not think anybody in this house will oppose that particular thing. A motion to do that would have passed without very much consideration. Probably a few questions with regard to amounts and conditions of payment would have been asked. Certainly no violent controversy would have been generated because of a bill of that kind. Very few hon. members, if any, even though they may not wish to see a further payment made on the wheat delivered to the board since 1945, even though they may not wish it in their hearts, would have had the courage to rise in their places and say so. Therefore I am safe in saying that there would have been no opposition to a motion to bring in a bill to authorize the government, the wheat board or the appropriate body, to make that payment.

On the third question there will certainly be controversy. There will be large numbers in the Progressive Conservative ranks who will disagree with even the slight implication in the motion on the order paper to include oats or barley in the operations of the wheat board. Since 1935 we have known that the principle embodied in this motion will find many opponents among the Liberal ranks, because going back to 1935 when the bill was originally introduced in the house we find that the official opposition, which was then the Liberal party, was successful in having, through its

debate in opposition, the compulsory features of this bill deleted, namely, sections 9, 10, 11, and 16, which provided the penalties if those compulsory features were disobeyed. Therefore we can expect to find a great deal of opposition there. The government is not concerned whether oats or barley or both are included in the operation of the wheat board. They would prefer that they were not included, but they put the resolution on the order paper in such a way as to indicate to the fellow farmers of the Minister of Agriculture in Saskatchewan that he and his godson are down here fighting the battle of the farmers of the west.

Mr. TUCKER: Does the hon. member suggest that the minister is not sincere in that?

The ACTING SPEAKER (Mr. Golding): Order.

Mr. BENTLEY: I want to remind the hon. member for Rosthern, who is also the leader of the Liberal party in Saskatchewan and the parliamentary assistant to the Minister of Veterans Affairs, that this unholy trinity, along with the president of the Liberal association of Saskatchewan, flew down here for the express purpose, so they said,—

Mr. TUCKER: Do you object to what they came for?

Mr. BENTLEY: No; I object to what little you did when you got here. I would be very happy if you had been successful, but I am pointing out that even though they did try to give the appearance of having done a very fine act in the interests of the farmers of Saskatchewan, nothing since then has happened except this, and this does not make anything happen if the government and the Minister of Trade and Commerce do not want it to happen. Last year the Minister of Justice told us positively in the house that in his opinion it is not possible to bring coarse grains under the operations of the wheat board. Could one get a more muddled up affair to put on the order paper, Mr. Speaker, than to ask hon. members to give an honest opinion on this resolution, when I expect that our friends in the Tory party are honestly opposed to some parts of it? I know that those in this group are honestly in favour of a great deal of it, and we know that there is a division of opinion among those who I presume are equally honest people on the government side.

Mr. JOHNSTON: That is going a long way.

[Mr. Bentley.]

Mr. TUCKER: That is the first time the hon. member has admitted that in a long while.

Mr. BENTLEY: I am going as far as courtesy in the circumstances will permit me to go.

Mr. TUCKER: Why do you not talk that way in the country?

Mr. SINNOTT: That is quite a problem.

Mr. BENTLEY: It is quite a problem. Therefore if the house wants the payments it must agree to recommendations with regard to coarse grains.

Mr. TUCKER: Do you object to the coarse grain recommendation?

The ACTING SPEAKER (Mr. Golding): Order.

Mr. BENTLEY: If the hon. member wishes to ask me a question and if he will frame it in such a way that I know what he wants, and if he will stand up in his place and ask it, I shall endeavour to answer it.

Mr. TUCKER: Thank you.

The ACTING SPEAKER (Mr. Golding): Order. I would ask the hon. member from Rosthern to refrain from interrupting the hon. member who has the floor. If the hon. member wishes to make a speech he may do so after the hon. member who has the floor has finished.

Mr. TUCKER: Mr. Speaker, the hon. member has said he is quite willing to answer the question if I ask it.

Mr. CASTLEDEN: Intelligently.

Mr. TUCKER: He said what he thinks hon. members on this side think and what he thinks hon. members in the opposition think. I should like to ask him whether he is against the extension of this to coarse grains.

Mr. BENTLEY: No; positively and absolutely no.

Mr. TUCKER: Why did you not say so?

Mr. BENTLEY: What I am opposed to in this resolution is the ambiguity, the uncertainty of whether coarse grains come under it or not.

Mr. ARGUE: Liberal confusion.

Mr. GRANT: That is Liberalism.

Mr. BENTLEY: Probably the hon. member and others would like to know why. I could spend quite a little time telling them why. I believe absolutely in the work that has been done by the organized farmers of Saskat-

chewan in the form of the Saskatchewan wheat pool. I helped to organize that body away back in 1922 and 1923 in the initial days, and I worked for that organization a good many years.

Mr. TUCKER: So did a whole lot of other people, including myself.

Mr. BENTLEY: Yes, a lot of other people helped too.

Mr. GRAYDON: This is a kind of testimony meeting.

Mr. BENTLEY: If hon. gentlemen will wait until their turn comes they can have all the time they wish and I shall listen politely to them. I do not want to weary the house too much, but I will go back to 1932, which is quite a little while ago. I hold in my hand the eighth annual report of the Saskatchewan Co-operative Wheat Producers Limited, as they were at that time, commonly called the wheat pool, and I shall refer to them as the wheat pool from now on because the wheat has been taken out of the name and they are now the Saskatchewan Co-operative Producers Limited, but they are the organization from which these reports come. On page 20 of the eighth annual report they say:

Your board is of the opinion that, until some measure of economic stability has been attained, it will be in the best interests of western Canada if a national marketing organization is set up with complete authority to market the Canadian crop. In order to achieve this end it is probable that legislation will be required both from the provincial and federal parliaments.

That was in 1932, giving an account of the operations of the crop year 1931-32. The following year, 1933, the same organization, reporting on the year just under review, had this to say on page 29:

Following out the decision of the delegates at the last annual meeting, to submit a request for a national marketing agency with complete control over the marketing of the entire crop, every effort was made, in co-operation with the provincial wheat pools of Manitoba and Alberta, to secure action by the federal government.

I want those people who claim to have assisted in the organization of the wheat pool in the early days to remember these statements, because they are going to continue in similar vein right to the end. I take the tenth annual report, 1934, dealing with the period under review, and on page 44 they say:

Your board is more than ever convinced that international co-operation holds the key to better times, and we believe that the establishment of a national marketing agency, with complete control over the Canadian crop, will place Canada in a first-class position to work with the other nations of the world, both exporters and importers, in an effort to find a solution to the present impasse.

Coming to the following year, in the twelfth annual report, November, 1936, they say:

Pending the completion of the inquiry and the submission of a report to the government, it is obviously difficult for your board to submit definite recommendations to this meeting at this time. Hitherto it has been the opinion of your board of directors that there should be developed a national marketing policy, the objective of which would be to secure a price for grain sufficient to maintain a reasonable standard of living in the farm homes of western Canada. That this policy should aim to establish a measure of parity between the price of things which the farmer must buy and the commodities which he has to sell; that this can be most surely accomplished through the operations of a national marketing board, with control over the movement and marketing of all grain.

Consistent all the way through. The following year, 1937, we find that the Turgeon commission, which had been appointed some time before, had not yet made its submission and so the annual meeting was reluctant to take any particular action that year to deal with the matter until the Turgeon commission report had been brought in But they indicated, and I do not want to read two or three pages to show it, their belief that they still wanted the same things as they wanted in the previous ones I have read.

Mr. SMITH (Calgary West): Were those compulsory marketing boards referred to there?

Mr. BENTLEY: The wheat pool has always believed that speculation should be taken out of the marketing of all cereal crops and flax.

Mr. SMITH (Calgary West): I did not gather from your reading that it was compulsory.

Mr. BENTLEY: Yes; it has been all the way through. If it is not clearly indicated there, you can take it from me, that is what they asked for.

Mr. SMITH (Calgary West): I accept your word.

Mr. BENTLEY: I come now to the fourteenth annual report, 1938. That, you will remember, is the year when the initial payment of the wheat pool was reduced from 87½ cents a bushel to 80 cents a bushel. In that year the wheat pool, at its annual meeting, again said:

It may be worthwhile reminding delegates that in October, 1932, when wheat prices were heading toward the lowest levels ever known in the history of grain production, representatives of the wheat pool organizations met with

representatives of the governments of the western prairie provinces and unanimously urged upon the Prime Minister of that day that the government of Canada should convene a conference of the governments and producers of the wheat exporting countries with a view to establishing such measures of international co-ordination as deemed advisable in the best interests of these countries.

Your board is definitely of the opinion that international co-operation is vital to a permanent solution of this international problem, and that the situation calls for not only co-ordination between the principal wheat exporting countries of the world, but also a greater degree of economic co-operation between exporting and importing countries.

Following an interprovincial meeting of the directors of the pool organizations held recently, an interprovincial committee has been set up to give consideration to a future agricultural policy for western Canada, which will include marketing problems.

In the meantime, the matter of future marketing policy has been under consideration by your board during the past year.

In view of world conditions already referred to, and in view of the action already taken or contemplated by the principal wheat exporting countries, your board believes that continued operation of the Canadian wheat board, with a guaranteed minimum price to the grower at the time of delivery, is essential.

You will see that all the way through the matter of grain is mentioned, except where they specifically refer to the Canadian wheat board by its official name.

It would be exceedingly difficult, if not impossible, for Canada to give effect to any agreement which might be arrived at with other countries unless control of the marketing of grain is vested in the wheat board, or some other similar body. Your board is of the opinion that any plan calling for a reduction in seeded acreage will not be practical in western Canada in view of the wide variations in production.

I have quoted that last sentence for the benefit of the Minister of Agriculture. Now we come to the fifteenth annual report, from which I will give a short quotation. That was the year when the federal government now in office decided that the wheat board would not accept deliveries in excess of 5,000 bushels for any particular farm unit. I quote:

During the year under review your board made every effort to have the wheat board continue to function to take delivery of the 1939 crop with an initial payment not less than that in force the previous year.

That was the year the Minister of Agriculture, or the right hon. Minister of Agriculture as he is now, stumped the country out there telling us that the 80 cents initial demand was entirely too high and that the initial price would have to be reduced to 60 cents a bushel. It took a petition of 155,000 and some hundred names from Saskatchewan, together with nearly 5,000 odd from other provinces, to convince the government that they should reduce it only ten cents. The petition asked that it be not reduced at all but in spite of the petition the government did reduce it by ten cents per bushel to 70 cents. I am wondering where some of these gentlemen were, who are so keen for this now, who fly around the country saying that they are going to ask for such great things.

In the sixteenth annual report I find the following:

The position at the beginning of the 1940-41 season, therefore, was briefly that day after day the Winnipeg market showed the value of wheat as the pegged prices fixed at the request of the government, with little or no trading.

In that year agitation was going forward among the farmers to have the initial payment increased to at least one dollar a bushel, something considered at this time an extremely modest figure, and the government were adamant. It took a while to persuade them differently.

I could go on with these reports all through these years. I could take the seventeenth report and those of the war years. Do not think that I refrain from quoting from them because there is something in them worth quoting. I am trying to save the time of the house. The reports are here if anyone doubts the consistency of the Saskatchewan wheat pool in demanding the marketing of all grains through the wheat board.

During the early part of the war everything was done to embarrass the government or the country as little as possible through their requests. Even then, though, they had to bring a delegation down here and had to take strong action against the government to get some alleviation. Again in 1944, they started to consider what might happen at the end of the war, and so at page 70 of the twentieth annual report they say:

In order to make international control effective, it is essential that there shall be adequate national control. In consequence your board strongly recommends that the Canadian wheat board should continue to function as the sole marketing agency for grain in Canada.

We come to the twenty-second annual report, and we find at page 41:

Since national control is essential to a successful international agreement, the Canadian wheat board should continue to function as the sole marketing agency for all grain grown in Canada, including oats, barley and rye, as well as wheat and flax.

In 1947 there is the same story. This is what is contained in the directors' report and passed by the annual general meeting of wheat pool delegates:

That the wheat board act should be amended to provide that the board should act as the sole marketing agency for all other grains in addition to wheat and flax.

Mr. COLDWELL: What was the date of that:

Mr. BENTLEY: That was held in the early part of November.

Mr. COLDWELL: In 1947?

Mr. BENTLEY: Starting on November 4, 1947, and finishing about two weeks later. It is the twenty-third annual report of the Saskatchewan Co-operative Producers Limited as it is now, which is called the wheat pool.

I want to refer to another matter arising out of this. When I was dealing with this matter in another debate in the pre-Christmas part of the session, the hon. member for Rosthern (Mr. Tucker) asked me if I was aware that the Saskatchewan wheat pool had passed a resolution asking the provincial governments for complementary legislation in order to make it possible for coarse grains to be included in the operation of the wheat board. He asked me further whether I had ever requested the Saskatchewan government to do that. My reply at that time was that as I met members of the Saskatchewan government individually I requested that. I should like now to inform the hon. member, the trinity from Rosthern, that I have asked them now officially in a meeting of themselves. I now want to ask the hon. member for Rosthern and the Minister of Agriculture if they have done their part equally well. In order that they may know what I mean, I shall read exactly what was passed by the Saskatchewan wheat pool last November at the annual general meeting of wheat pool delegates. I have just read from the resolution asking that all grains be marketed by the wheat board. They followed on with this:

That in order to avoid any possible legal controversy as to the power of the board to handle feed grains—

And note this, please.

—the dominion government should be asked to approach the provincial governments with a view to securing complementary provincial legislation so that the authority of the wheat board to act as the sole marketing agency for all grains may be placed beyond question.

I listened to the minister of Trade and Commerce. If I understood him correctly, he said that this government introduces this resolution on the order paper and then, if it passes this house, they will have to wait until the provincial governments decide to do something about it to make it possible. The Minister of Agriculture and the leader of the Liberal party in Saskatchewan, the hon. member for Rosthern have been reported in the papers repeatedly as saying that they favour the inclusion of coarse grains in the operation of the wheat board.

Mr. GARDINER: May I just ask a question there. I notice that the hon. member is leading up to one point. I suppose I could read it up, but it will save me a lot of time if he will just answer this question, and I am sure he can do so. Does the wheat pool now pool the oats and barley that it buys? Is there a pool in connection with the oats and barley? And if not, why?

Mr. BENTLEY: No, Mr. Speaker; the wheat pool is not operating a pool for any other grain at the present time. The wheat pool, operating a line of elevators, operates as agent for the wheat board in the handling of wheat. During the years when there were, shall I say many different methods of marketing coarse grains, during the war and afterwards, which the minister knows all about, it would have been impracticable for them to operate a pool for coarse grains effectively. The minister knows that.

Mr. GARDINER: Have they done so since 1932?

Mr. BENTLEY: No, they have not; because as I pointed out, in all these reports they have pressed constantly for the inclusion of coarse grains in the operations of the wheat board. I would not mind the Minister of Agriculture opposing that, Mr. Speaker, if he feels like it. That is his God-given right in this country. What I was saying before he interrupted with a question was this. He and the hon. member for Rosthern are repeatedly reported in our Saskatchewan papers as saying that they favour the inclusion of coarse grains in the wheat board. I heard the Minister of Agriculture himself on October 10, I believe, of last year say that when he was dealing with matters of grain marketing he would rather be guided by the advice of the organized farmers than by the advice of the Winnipeg grain exchange.

Mr. GARDINER: Hear, hear.

Mr. BENTLEY: If he means that, and if he means the other things he is reported to have said, then he should be right behind all these things. Now I am asking him and I am asking the hon. member for Rosthern if they

asked this government, and if this government in turn have asked the provincial governments for the complementary legislation to permit them to operate coarse grains within the wheat board act.

Mr. GARDINER: We are not able, Mr. Speaker, to do that until my hon. friends vote to put this through the house.

Mr. BENTLEY: It could have been done in the speech from the throne.

Mr. TUCKER: May I ask the hon. member a question, since he has asked me one? From what he said I take it that he is in the confidence of the Saskatchewan government. He says he asked for this complementary legislation. Will he let the house in on the information he has as to whether they are going to do it or not?

Mr. BENTLEY: I will gladly answer that question. The Saskatchewan government will be glad to pass any necessary legislation within its power that will assist in any way to stabilize the prices of agricultural products at the proper levels.

Mr. TUCKER: Will the hon. member indicate whether they ever made such an announcement publicly? He seems to be the only one who knows about it.

Mr. BENTLEY: Shall I have to quote this again? The Saskatchewan wheat pool in its last annual general meeting recommended that the federal government should be asked to approach the provincial governments.

Mr. KNOWLES: Have they done it?

Mr. BENTLEY: Yes, have you done it? That is the question I am asking.

Mr. TUCKER: As the Minister of Agriculture has said, once this bill is passed there will be something to approach them on. I am asking the hon. member whether the provincial government have said that they will pass this enabling legislation.

Mr. BENTLEY: They will pass it when you ask them to. It is up to you to get busy and ask them.

Mr. COLDWELL: How can complementary legislation be passed until it is known what it is to be complementary to?

Mr. TUCKER: They can indicate they are willing to do so.

Mr. COLDWELL: So could you.

The ACTING SPEAKER (Mr. Golding): Order.

[Mr. Bentley.]

Mr. BENTLEY: I should like to finish my remarks.

The ACTING SPEAKER (Mr. Golding): I should like again to remind hon. members that the hon. member for Swift Current has the floor and should not be interrupted.

Mr. TUCKER: He asked me a question.

Mr. BENTLEY: I have answered the hon. member's question. I have given him a lot of information. He will have to get his understanding somewhere else.

Mr. KNOWLES: He did not answer your question.

Mr. BENTLEY: No.

Mr. BRYCE: You did not expect that.

Mr. BENTLEY: No, I did not expect that. I want to repeat what I said at the start. As was said by the hon. member for Souris this resolution before us has all the earmarks of a political resolution.

Mr. TUCKER: Are you against it, then?

Mr. BENTLEY: It has all the earmarks of a political resolution.

Mr. TUCKER: You are not political at all.

Mr. BENTLEY: The hon. member still wants to ask tricky questions. I am not very tricky, but I will answer him. I want every one of the things mentioned in this resolution. I want more; but I recognize that first things should come first. The first thing should be the payment to the farmers of the west for their wheat of 1945, 1946 and 1947. Everyone in this house will support that whether they believe it or not. I support it because I do believe it. They want it now; they do not want to be held up awaiting the outcome of a protracted controversy over paragraph (c) of the amendment moved by the hon. member for Souris. That is the point. We are willing to see these pensions paid, and we say the government should accept this amendment and bring in the three separate bills. I guarantee the first two will not take long to go through. Then we can battle away on the others; and when we get to the one I mentioned I fully expect to be quite at variance with the hon. member who moved this amendment. To show that we are not alone in the belief that this is a political move let me say that we have some pretty wise men sitting behind and above you, Mr. Speaker. Some of them are wise; some think they are, but now and again they get things right.

Mr. TUCKER: No different from members of parliament.

Mr. BENTLEY: I do not know what the hon. member is getting at this time so I will have to pass it up. I have in my hand a clipping from the Montreal *Gazette* of February 20, containing an article written by Mr. Arthur Blakely, *Gazette* staff correspondent. He seems to see the thing very much as I see it and as I believe a number of others see it.

Mr. MITCHELL: A good Tory paper.

Mr. BENTLEY: If the Minister of Labour (Mr. Mitchell) knew as much about wheat as I know about labour we would have a lovely time together. However, let us see what Mr. Blakely has to say. The whole article is interesting but I am going to quote only part of it:

But it is the government's intention that this power never shall be exercised.

It is remarkable how close some of the members of the press gallery get to what is the actual fact. They have the power to give publicity to those on the government benches, and so perhaps are able to claim something in the way of information that some of the rest of us cannot get. Often they seem to come very close to the facts, so possibly this gentleman was speaking with some authority. Then he goes on to say:

. . . Justice Minister J. L. Ilsley raised his hands in constitutional horror last February when the C.C.F. attempted to attach oats, barley, flax and rye to the government trading cartel.

The explanation of the new move is a masterpiece of political manoeuvring. To the western farmer, who is reputed to be consumed by a mortal hatred of everything concerned with the Winnipeg grain exchange, passage of the forthcoming bill will enable the government to point with pride to this first step toward total destruction of that institution.

At the same time the government will be able to reassure grain exchange proponents by hinting with more than its usual delicacy that the power to kill off the exchange, while available, will be allowed to lie dormant.

And again:

From the moment that the new bill is introduced, it will be supported by both Liberals and C.C.F. members. But there will be a difference. The C.C.F. will be hoping fervently that the principle of the bill will be put into practice. The Liberals will be determined that this never will happen.

That is the observation of a gentleman who sits in the press gallery, who undoubtedly hears conversations in the corridors and who has his own peculiar ways of picking up information.

In conclusion, Mr. Speaker, I want to point out that the things I have mentioned, for which the wheat pools have asked, are the very things the C.C.F. here in this house have stood for right along. We believe they are necessary; we believe they are important. We believe every single thing in the resolution in the name of the Minister of Trade and Commerce should be put into effect. But we do not believe anything that is necessary to be done at this time should be held up because one or two other matters cause a controversy. Therefore I believe the government should accept the amendment and proceed on that basis.

Mr. VICTOR QUELCH (Acadia): Mr. Speaker, like the two hon. members who have preceded me, I also regret that the government has seen fit to bring down a resolution embodying four separate proposals: to provide pensions for members, officers and employees; to make provision for the increase of the fixed minimum price on wheat deliveries; to extend the control of interprovincial movements of wheat products, and to empower the governor in council to extend the present system to oats or barley. Obviously including four proposals in the resolution is bound to delay passage of the bill. Today the farmers are anxiously awaiting an announcement of government policy regarding the increase in the amount of the initial payment. I say they are anxiously awaiting the announcement, but they are even more anxiously awaiting payment. That is especially true in the drought areas, where many farmers have not had a good crop for over two years. They are in sore need of this money to finance their spring operations. I am afraid bringing the resolution down in this form is going to delay passage of the bill and thereby delay the making of these payments. Just on that point I would suggest to the minister that when the payments finally are made the policy of last year be followed again this year and the payments made first in the drought areas, where the farmers are in so much greater need of money than in other parts of the country.

For these reasons we are prepared to support the amendment of the Progressive Conservative party. As a matter of fact, we hope the government will be prepared to accept that amendment and bring down three separate bills, the first being the bill relating to the increase in the initial payment. Generally speaking I may say we favour the four proposals contained in the resolution. The criticism we have to offer will be with regard to the degree of the proposals rather than the proposals themselves. We support the continuation of the wheat board as the sole marketing agency for wheat. Furthermore we believe it is to the advantage of the farmer

to have a long term stabilization program rather than to capitalize on short time high level prices; and I am satisfied that the overwhelming majority of the farmers of Canada are in favour of such a policy. I suggest to the minister that the reason there is such widespread criticism of the government's wheat policy today is that it is neither one thing nor the other. On the one hand it denies the farmer the present high prices; on the other hand it fails to guarantee prices in the future beyond 1949. It has forced the Canadian farmer to subsidize the British consumer and has allowed the prices of goods the farmer has to buy to rise substantially while at the same time placing ceilings on Canadian farm produce. So is it any wonder the farmers of the west are discontented with the government's wheat policy?

Let me review briefly some of the main causes for this discontent. In the first place the government's wheat policy is supposed to be a policy of stabilization. Thus far, however, that policy has failed to materialize. On September 19, 1945, the then minister of trade and commerce, announcing the government's post-war wheat policy, had this to say as reported at page 289 of *Hansard* for 1945:

It is in the interest of Canada and of Canadian wheat growers that the importing countries should continue to obtain Canadian wheat at prices not in excess of those prevailing at the end of hostilities. Accordingly the government, by order in council, has instructed the Canadian wheat board to offer wheat for sale for export overseas at prices not higher than the current export price of $1.55 per bushel, basis No. 1 northern, in store Fort William/Port Arthur or Vancouver.

In asking Canadian producers to forgo such benefits as might be realized in the short run through higher export prices, the government recognizes the paramount need for relative stability of income to wheat producers. Toward this end, the government undertakes, that in the five-year period ending July 31, 1950, producers will receive not less than $1 per bushel, basis No. 1 northern, in store Fort William/Port Arthur or Vancouver on the authorized deliveries for each crop year. For the balance of the 1945-46 crop year at least, the Canadian wheat board initial advance will continue at $1.25, where it was set two years ago.

And farther on:

Any further increase in wheat prices now would aggravate the problems of economic and political readjustment of the liberated areas to Canada's detriment in future trade with those areas. There is a moral obligation not to take advantage of our recent allies in their time of compelling need.

I should like to quote the reply I made at that time to this new policy. Speaking on behalf of this group, and as reported at page 469 of *Hansard,* I said:

We insist that when Canada makes that sacrifice and that contribution it should be a

[Mr. Quelch.]

sacrifice of the Canadian people and not of any one class of society alone. Why should agriculture be asked to stand the full cost of that sacrifice? Surely the logical thing to do is to pay the farmers the price that can be obtained, sell the commodity to the people who need it, at the current price, and make up the difference between the two figures out of the general revenue fund or any other source which the government sees fit to use. We may differ as to the way that should be done, but that is not the point in question now.

The minister has tried to excuse his proposals on the ground that the government policy will compensate the farmers by guaranteeing a floor price of $1 a bushel for the next five years. But the mere fact that the minister says that it will be compensating them implies that the price may fall below that figure. On the other hand, the government does not know for certain whether the price will fall below or whether it will be above that amount. It may not call for any sacrifice at all. But certainly the government are not in a position to make a guarantee for the next five years, because they do not know whether they will be in power for the next five years; they might go out of power next year, in which event the farmers might be called upon to make the sacrifice for nothing.

But there is another reason why we are opposed to the farmers having to make that sacrifice. It is that we say that the farmers are being called upon to make a double sacrifice. For ten long years the farmers of the country produced at very low prices, and day by day, year by year, they were making considerable sacrifices. Therefore today the farmers should be guaranteed a fair price, a maximum price in order to compensate them for the losses they suffered in those ten years, without being asked at the same time to make similar sacrifices in the future as well.

I believe the minister will recall that the policy at that time was bitterly criticized by farmers across the dominion. In 1946 the British wheat agreement was signed. Under that agreement we agreed to sell Great Britain 600 million bushels over a period of four years. We were to deliver 160 million bushels in each of the first two years at $1.55 a bushel; 140 million bushels in the third year at a minimum price of $1.25 and 140 million bushels in the fourth year at a minimum price of $1 per bushel. In computing the price for the last two years consideration was to be given to the fact that wheat was sold at less than the world price in the first two years of the agreement. The Minister of Agriculture interpreted that as meaning that we would have any losses in the first two years made up in the last.

Having that in mind it is hard to understand just how the $2 a bushel was figured out for the third crop year. The agreement stated that in setting the price for the third and fourth years the losses of the first two years would be taken into consideration. At the time the agreement was made for the third

year the price in the world market was over $3 a bushel. Losses on the first year were 77 cents a bushel on 160 million bushels, which made a loss of $123 million. That works out at 88 cents a bushel on 140 million bushels. So that if you deduct the 88 cents from the $2 you have a balance of $1.12. This means that all we are getting for our wheat in the third year is $1.12.

The minister may argue that even yet that may be a good price. But everything indicates that $1.12 for the third year will be considerably below the world market price.

In February 1947 a bill to amend the Canadian Wheat Board Act was placed before the house, and that amendment increased the initial payment to $1.35 a bushel. That was guaranteed until July 31, 1950. At this time the British wheat agreement was debated, and the government defended that agreement on the ground that it would prove beneficial to the farmers and that we were also under a moral obligation to allow Great Britain to have wheat at a reasonable price.

In view of the fact that it has been stated that the British wheat agreement was welcomed as being in the interests of the farmers of western Canada I should like to place on *Hansard* the stand this group took at that time. I quote from page 745 of *Hansard* for 1947, where I said:

> In the early part of this agreement the farmer is making a considerable sacrifice. He is losing anywhere from fifty to seventy-five cents a bushel. In compensation for that loss, the government guarantees to take a minimum of fourteen bushels to the acre at $1.35 a bushel. The loss is being suffered on all wheat offered for sale, a loss of anywhere from fifty to seventy-five on every bushel offered for sale. Then surely the compensatory feature should also guarantee that that $1.35 a bushel would be paid on all wheat offered for sale. How can you balance a loss on total production against compensation on a part of production? It does not make sense or justice. Instead of $1.35 a bushel, we think the price should have been $1.55, which is the price at which we are selling to Britain.

And further on:

> If in the next two or three years there is a wheat shortage, if crops are poor, the price of wheat will be maintained at probably a high level and will remain there. Then the guarantee becomes absolutely useless. If that should be the situation over the next two or three years the farmers of this country, as a result of this agreement, are going to lose several hundred million dollars.

That seems to be the situation which has already developed. Then I went on to say:

> I believe that the wheat agreement with Britain was fully justified, but it does entail in its early stages a considerable sacrifice on the part of our farmers. We feel that the sacrifice should be borne by the people of Canada as a whole.

It will be noted that while this group supported the British wheat agreement, we supported it as a moral obligation and took the stand that the cost should be borne by the Canadian people as a whole, rather than by the farmers. On the other hand, if the farmers are to stand the cost they should be compensated by a long-term stabilization program under which they would be guaranteed a parity price for the future.

I know the government argues that there are compensations, and that the losses in the first two years of the agreement may very well be offset by gains in the latter part. The farmers are calling the government's bluff. If the government feel that the agreement is a good deal, then they should take it over. After all, it was the government that made the agreement. They did not consult the farmers before making it; therefore if there are any losses the government should stand them. We feel that the government should pay the farmers the difference between $1.55 and the average price received for No. 2 wheat and then credit that amount to the farmers in the five-year pool. If losses accrue as a result of the government's guarantee in the last part of the agreement, they could be charged against the credit in the five-year pool. The minister must agree that that would be absolutely fair and I believe that the majority of the people of Canada would support the government in such action.

It is well to remember that when we made our various contributions to Britain such as the billion dollar gift the industrial concerns in this country were not asked to accept prices below the regular price. The government paid them the current price and did not ask them to make similar sacrifices to those which the farmers are being asked to make under this agreement. In addition, the cost of subsidizing the home market during this whole period should be credited to the five-year pool; that is, the difference between $1.55 and the price at which wheat is being sold by the wheat board in the world market. While stressing this point, what we should really like to see done is for the government to bring down a long-term stabilization program under which the price of wheat will be guaranteed at parity in the future.

It is interesting to note what the government's policy has cost the farmers by compelling them to accept the price under the British agreement instead of the full market price they otherwise could have got. I have argued in my constituency that the losses in

the first two years would be in the neighbourhood of $300 million, but apparently I was altogether too conservative, because the Searle Grain Company has set the loss at $296 million for the first seventeen months of the agreement, which has still seven months to go. They show, in addition, a loss to the farmers on wheat for domestic consumption of $152 million, making a total of $448 million which the farmers have lost as a result of the government's wheat policy in the first seventeen months of the agreement. Even if wheat prices should slump in the remaining years of the contract the farmers could never hope to make good those losses under the government guarantee.

I would ask this question: Is there any reason to expect that the price of wheat will slump heavily by the end of 1949? Mind you, for the farmers to make up their losses in the first two years of the agreement the world price would have to go far below $1 a bushel in the last year. But everything points to wheat remaining at a fairly high price for a number of years yet. I quote from the United States News World Report for February 13, 1948, on the back page of which I find this statement:

> A price for wheat ranging between a low of $1.20 and a high of $2 a bushel is being used by United States and other experts as reasonable over the next four years. Plans for dividing up the world's wheat are being discussed on this basis by thirty nations represented at the wheat conference now under way. Wheat still sells in the United States for around $2.60 a bushel.

That being the case, it does not look as though there was any great danger of there being a heavy slump before the end of the agreement.

If the government disputes the losses as computed, for instance, by the Searle Grain Company, I think it would be a good idea for the government to refer the bill to the committee on trade and commerce, before which representatives of the wheat board and the Searle Grain Company could be examined to ascertain exactly what the present situation is and what is likely to take place in the future.

Certain derogatory remarks have been made about Major Strange. I happen to know him. He used to farm just north of where I live, and I would say that he should have a very good understanding of grain farming. Incidentally while he was farming in that area he won the world championship for wheat at the Chicago exhibition. He lived thirty to forty miles north of the town of Morrin where I live. The land is heavy gumbo which makes farm operating costs relatively high, but the yield is heavy and so the costs of production

[Mr. Quelch.]

are actually not as high as one might expect. Thirty miles east is the drought area, where operating costs are very low but yields very light, and so the cost of production there is higher than would be expected. In the district Major Strange used to farm the operating costs and the returns were average. He lived in that district for a number of years and from his experience there and his subsequent experience with the Searle Grain Company for a number of years he should have a first-hand knowledge of wheat farming and marketing. I want to make it clear however that I do not agree with his attitude on the grain exchange. On the other hand I believe that the figures presented by the Searle Grain Company have earned for themselves a reputation for accuracy.

Coming back to my contention that the government's wheat policy is neither one thing nor the other—it neither gives the farmer the world price nor guarantees the price for the future after 1949—we have this picture. During the nineteen thirties the farmers had to take a low world price. During the nineteen forties, from 1941 to 1946, the government asked the farmers to be satisfied with a lower price than they otherwise could have got. Those were the words of the present Minister of Agriculture, speaking in this house as reported at page 806 of *Hansard,* and that still continued to be government policy during 1947 and 1948. So for ten years the farmers had to accept depressed prices; then for eight years, as the Minister of Agriculture stated, they accepted lower prices than they could have obtained; and the government has the nerve to call that stabilization policy, when for eighteen years the farmers had to accept either a low world price or a price lower than they could otherwise have received.

One might say that the government's policy has been one of subsidizing both British and Canadian consumers at the expense of Canadian producers. If the government are sincere, if they really believe in stabilization, let them bring down legislation this session to guarantee the farmers of this country a parity price as part of a long-term agricultural policy, or for at least the next ten years, and then we shall have this situation: ten years of depressed prices in the nineteen thirties, then ten years of prices below the world market, then ten years during the nineteen fifties of a parity price supported by a floor. I think a policy of that kind could well be called a stabilization policy, but by no stretch of the imagination can you call the government's present policy one of stabilization. If on the other hand the government are not prepared at this session to bring down a stabilization policy, then we

should allow the farmers to have world market prices, and make the legislation retroactive so that they may get the benefit of world market prices within the British wheat agreement.

It is also well at this time to remember that there is no long-term program of stabilization over the prices of other farm products besides wheat, because the Agricultural Prices Stabilization Act is merely a transition measure to govern prices during the period from war to peace. If anybody has any doubt about that let him look up the Canada Year Book for this year, which makes it very clear. However, Mr. Speaker, we in this group believe that a sound long-term agricultural policy is not merely in the interests of the Canadian farmer or the people of Canada, but is of vital importance in helping to promote world peace. World peace requires a well fed people; it requires stockpiles of food, and stockpiles of food can be maintained only so long as optimum production is encouraged within the country and proper provision is made for carrying the surplus of one year over to another. History records that when that is not done, famine invariably ensues, which provides a breeding ground for pestilence and war. Unfortunately agricultural policies in the past have not encouraged a building of stockpiles of food. On the contrary they have invariably discouraged them by forcing prices down below the cost of production whenever reserves of food were built up.

I listened to the speech—perhaps I might also call it the bedtime story—of the hon. member for Calgary West (Mr. Smith) last year. When he was discussing the grain exchange he chided a number of hon. members for referring to the exchange as—I forget the terms now—a gambling den, a den of iniquity and a few other things. I should like to say to him that these terms are very mild compared with some of the terms I heard farmers using during the thirties.

Mr. SMITH (Calgary West): You are a bad boy if you use such terms.

Mr. QUELCH: Whether or not these are the right terms to use about the exchange, he himself went on and proved beyond a shadow of doubt that the grain exchange is a gambling institution, because he told us one day he found himself with a thousand dollars which apparently he did not know what to do with. He went down to the grain exchange and they told him that if the sun shone he would make money, and if it rained he would lose it. No doubt, residing in sunny Alberta, he thought the best chance to take would be that the sun would shine. He put up his money; it rained over the week-end and he lost his money. In other words, what did that mean? It merely meant that when it rained there would be an increase in production, and if we were to have an increase in production the price of grain would fall. That is all it meant. Therefore I say the grain exchange operates to discourage maximum production, because every time you increase production, every time you increase the reserves on hand, down goes the price and it is bound to discourage production.

I thought the analysis given by Henry Morgenthau was a very good one. I quote from the Manitoba *Co-operator* of February 12, 1948, which reads as follows:

> The most effective argument presented against the speculative system was a statement by Henry Morgenthau, Jr., secretary of the United States treasury under the Roosevelt administration. Mr. Morgenthau said: "Of all the economic dilemmas which periodically confront us, the farmer's dilemma is one of the most terrible and, at the same time, one of the toughest to solve. When the farmer does not grow enough to satisfy the demand, prices rise, he makes a good living—and millions of people do not have enough to eat. When he raises too much, the bottom falls out of the market, he cannot keep up the payments on his mortgage, and his crops wither in the fields. The problem of the agricultural surplus is a tragic irony in the very centre of our economic system."
>
> Therein lies the kernel of the case against the system of speculative marketing.

In other words the situation is this: in order to benefit under the operation of the grain exchange the farmer has to pray for a poor crop. Then if that happens the price of wheat will go up and he could get a high price for the wheat he does not raise, which does not help him very much.

There has been a suggestion that the grain exchange should be closed. The government have told us that they are not in a position to close the grain exchange. I am not going to suggest that the government should close the grain exchange. All I am suggesting is that they should take the grain away from the grain exchange and let them play with something else. If they want to gamble, give them a set of dice and let them shoot crap. They could have just as much fun in that way, and I suggest to the hon. member for Calgary West that he would have had far more fun and would have got a greater run for his money if he had used his thousand dollars in a crap game and not on whether the sun would shine or it would rain.

Mr. SMITH (Calgary West): They might be loaded, and I would have no chance.

Mr. JOHNSTON: The hon. member talks as an expert.

Mr. QUELCH: I hold in my hand an editorial from the *Farm and Ranch Review* which I think is a very good one on this question. I quote from the October, 1947 issue which says:

> This whole defence can be summarized in a single phrase from Mr. Jeffers' column—"through the ability of the trade to protect itself." Precisely.
>
> The country elevator company favours the futures market because it enables the operator to protect himself against loss. The miller favours the futures market because it enables him to protect himself against loss. The same is true of the exporter, the shipper, the foreign importers and ultimate millers and bakers. In short, it protects everybody engaged in the wheat trade from loss, with but one minor and insignificant exception—the fellow who grows the stuff.
>
> Thus it is no accident that royal commission reports quote with approval the opinions of all these people on the virtues of the futures market. All this reminds me of a fox hunt. The fox-hunters love it. The horses relish the hunt. The dogs have a wonderful time. But what does the fox think about it all?

That outlines very well the farmer's position in relation to the operation of the grain exchange. I believe some hon. members have advocated the two systems operating side by side, but it seems to me that that means if there is a guaranteed price all the wheat will go to the wheat board when the world price falls below the guaranteed price; and the wheat board will take the losses, and vice versa. When the price of wheat is above the guarantee, the wheat will go to the grain exchange.

Mr. SMITH (Calgary West): That is the simple operation of the floor, is it not?

Mr. QUELCH: Yes, it is the operation of the floor, but where you have the two operating side by side, naturally when the price is below the floor the wheat will always go to the wheat board. The minute the price goes above it is apt to go to the grain exchange.

Mr. SMITH (Calgary West): That is the only way I know of to operate a floor.

Mr. QUELCH: The people of Canada would feel that if the government is going to take all losses then it should have a chance to make a profit as well on the wheat handled by the wheat board.

We in this group also believe in long-term international agreements. If you are to have long term international agreements you must have a wheat board that handles all the wheat; otherwise how can any government fill the international agreement if it did not have the surety of being able to get the wheat needed to fill that agreement?

[Mr. Johnston.]

The grain trade have used the British wheat agreement as a basis upon which to attack the principle of long term international agreements. They forget that the British wheat agreement was not a straight business deal, but was in part to help our allies, as was indicated at the time the minister brought down his early wheat legislation; therefore all the Canadian people should have stood the cost of the sacrifice and the farmers should not be expected to bear the burden. The grain trade criticized the long term agreements between countries on the grounds that whilst a certain price might be fair today it might be out of line tomorrow due to a rise or fall in the price level. That is true, and that is why we have argued that when prices are agreed upon they should be tied to the price level of the country with which the agreement is made. Then, if the price level rises the price of wheat will rise and vice versa if the price level falls. The result of that would be of course that our wheat would always bring back the same amount of imports. It would help to insulate the Canadian economy against fluctuation in world prices.

If we are going to have a stabilized agriculture and play our part in building up food reserves, it would be wise for the government to adopt a policy of government-approved farm storage. Then farmers building new granaries could build them according to government specifications, and in the event of future congestion in the elevators, these bins could qualify for the storage of government-purchased grain. I believe this was done in a number of states during the war.

We favour the wheat board handling of coarse grains. We do not think it is as important as the question of wheat, because generally speaking the price of coarse grains has reacted to the rise or fall in the price of wheat; but we feel that, whatever policy is worked out, it should be worked out jointly with the provinces. Therefore I was glad to hear the minister say that an agreement would be drawn up between the provinces dealing with the question of coarse grains.

In closing may I say that we hear a great deal about the prosperity of the Canadian farmer today, but in order to get the true picture one must consider the number of years that many men have been labouring to build up their farmsteads, and then note how many farms are in a run-down state and how many of the older farmers today are having to apply for old age pension after farming for thirty or forty years. Keeping that in mind, one can hardly say that agriculture today is in a state of prosperity. A stabilized

agriculture may not help the aged, but at least we should bring down a policy that will help to guarantee that the young veterans and other young people who have started farming today will not have to go through the same degree of grief and hardship that so many farmers went through in the nineteen-thirties.

Mr. D. S. HARKNESS (Calgary East): I wish first of all to direct some remarks to the amendment offered by the member for Souris (Mr. Ross). I take the strongest objection to the bad principle and bad practice involved in the government's action in presenting a resolution of this kind to the house to provide for a single bill which is really three or four bills. This was done last year in what was commonly known as the fifty-seven varieties or the Heinz bill, and apparently the government will try to do the same thing this year.

As the member for Swift Current (Mr. Bentley) said, the only reason the government would oppose the amendment we have proposed would be that it wants us to swallow something we do not like in order to get something we do like. I would certainly ask the government to accept the amendment and separate these three or four bills.

As a matter of fact, this resolution reminds me a little of an excursion I take now and then into cookery. I am fond of scrambled eggs, and frequently I break three or four in a dish and scramble them. If you put one good egg in, one indifferent and one bad, the scramble is all bad. That is what you have here. You have a scramble and it is bad. We should get it unscrambled as quickly as possible.

The various principles or separate things involved in the bill are, first, the matter of providing pensions for employees of the wheat board; second, increasing the initial wheat price, in other words paying the farmer more of his own money; and, third, giving the control of the marketing of oats and barley to the wheat board.

I thought that this matter of control of the interprovincial movement of wheat products was tied up with that, but, from what the minister says referring to the marketing of flour, I take it that probably there is a fourth principle which should be separated out.

I cannot speak of this resolution as a whole, neither can anyone else, so I shall have to follow the example set by the minister and other speakers and deal separately with the things which it includes. The first of these is the provision of a pension plan for wheat board employees.

Not only am I unopposed to a provision for a pension plan in any organization, but I am strongly in favour of it. The provision of a pension plan by any type of organization is a great means of helping people to provide for their own old age, and we should all work towards that end. However, as far as this particular pension plan is concerned, I can really give no opinion on it until I see the bill and see what it provides for.

One thing I would say is this. In the agriculture committee last year, when the operations of the wheat board were being reviewed, there was a refusal to give to the members of that committee the salaries paid to the wheat board officials. I think we should certainly have that, and we should know what proportion of those salaries in the different brackets will be contributed to this pension fund before we give approval to it. That is one thing I would ask the minister to provide when the bill comes up for detailed discussion.

I would think the chief thing at issue in this provision of pensions, in addition to that, would be information as to whether the pension scheme is going to be one entirely separate and run by the wheat board itself only, together with the extent to which, as a result, it will be financed by the farmer's own money or whether it will be one that will be tied in to the general civil service superannuation scheme.

The second part of the resolution is to make provision for the increase of the fixed minimum price of wheat deliveries. This seems to me to be only a belated move on the part of the government to give the farmers a little more of their own money, money which the board should not have been holding back from them for the past two years.

This party, including myself, advocated last year that we should have a yearly pool participation with payment of pool receipts as soon as possible in place of the five-year pool now operating. That, I believe, was the proper position to take. It is what should have been done. There is no question whatever that any move to increase payments of their own money to the farmers has the support of every member of this house. I do not think anyone is going to argue for a minute that the farmer should not get a larger share of his own money that has been received for his wheat, and so far as that part of the resolution works towards that end, naturally everyone is going to approve of it. From the way in which it has been presented, however, this increase in the initial payment, from the way it has been put over by government releases in the newspapers and so forth, would appear

to be something in the nature of a gift to the farmers by the government, and I object to that. The general picture presented is that a benevolent government will increase the amount which the farmer will get for his wheat when he delivers it next fall. That picture is absolutely false, absolutely wrong.

Personally I would like to see as much as possible done to dispel any ideas along that line, that the government by this measure is handing out more money to farmers, to the wheat producers particularly. What is happening is this. The government is going to pay a higher price for next year's crop out of a great reserve of the farmers' money which it now holds. Why is the mistake of the past three years, of not paying out more of this, not admitted and the farmer given the money owing to him now, and given it in an open manner instead of in a semi-concealed manner?

This was what happened. At the end of the war the government gambled on wheat going down. The very fact that the figures in the British wheat agreement provide for a price drop to a dollar a bushel indicates that clearly. The government thought the price would go down. They gambled on that, but the gamble was wrong. The price went up instead. As a result of that, the board has what was previously an unknown number of millions of dollars of the wheat producers' money. This afternoon the minister indicated that amount was between $230 million and $240 million, I think. That figure has now been made public; and participation cheques should be issued on it instead of, as I said, concealing payment of some of this money only by the form of this resolution.

The third part of the resolution reads as follows:

> . . . to extend the control of interprovincial movements of wheat products and to empower the governor in council to extend the present system to oats and barley.

The control of the marketing of feed grains and also of wheat products used both for human consumption and for stock feeding, I take it from what the minister said this afternoon, is to be under the wheat board. Personally I would not object to the board having power to market coarse grains as long as they did not have the exclusive power to do so. However, the difficulty is that the wheat board has that exclusive power in the marketing of wheat. I take it from this resolution and from what the minister said that if they put this into operation the intention is to give the board exclusive power to market oats and barley. As a matter of fact I took down one sentence the minister used this afternoon. He said, "Price must be a matter for the government to decide". If oats and barley come under the wheat board for compulsory marketing, there is no doubt that is the case.

Mr. HOWE: I did not make that statement, Mr. Speaker. Where did my hon. friend pick that from—out of the air? In what regard did it apply?

Mr. HARKNESS: I did not pick it out of the air. I wrote it down as you said it.

Mr. HOWE: I did not say that.

Mr. HARKNESS: The minister said, "Price must be a matter for the government to decide". In that case he was talking about wheat, the operations of the wheat board he was carrying on and would carry on. I think if he will read *Hansard* he will find that there.

Mr. HOWE: I read *Hansard*.

Mr. HARKNESS: Or even if he will re-read his speech I think he will find it. However, as I say, there is no question that if oats and barley are put under the wheat board, the government will set the price. I for one—and I know a large number of farmers who feel the same way—do not want to have the government set the price I am to get for oats and barley. There have been difficulties enough and there has been argument enough, I think, over the prices which have been set for wheat without getting the thing hopelessly complicated over oats and barley.

This afternoon the minister outlined something of the history of the wheat board. I should like to supplement this history by a few other details. The wheat board was set up in 1935 to market such wheat as the farmers wished to place in its hands. In other words, it was on a voluntary basis; there was no compulsion. Also a farmers' advisory board was provided for. As I remember it, this farmers' advisory board consisted of seven members, four of whom must be wheat producers. The act provided that that advisory board must be called together at least once a month. Furthermore, the advisory board had to be consulted on all matters of policy. That was done. However, when the Liberal government came to power in 1935 they disbanded this advisory board and put policy in the hands of a cabinet committee. As a result the farmers lost completely any control they may have had over the fixing of the price of their product, the marketing of it, and so forth. I must say that the government saw the error of this, and some time during the war reinstituted the advisory board. I do not think there has ever been any question,

however, that the farmers have had really no control over the price of their wheat and the marketing of it.

It might be of interest at this point to read a piece from the Winnipeg *Free Press* of February 9. It says:

> The wheat board is not and never has been a producers' board. It is a branch of the federal Department of Trade and Commerce. Under the wheat board act, it operates under the instructions of the Minister of Trade and Commerce, Right Hon. C. D. Howe. It is not responsible in any way to the western wheat growers or to any farmers. For all practical purposes the producers have nothing to do with it—except to obey its orders under penalty of fine or imprisonment.

That is the situation this board has come to under the present government. As I say, I for one do not want to see the grower or producer of oats and barley placed in the position of being completely at the mercy of the government with regard to price and so forth, through the power they can exercise through this board.

To carry on a little more with this history, when the operations of the wheat board started, the initial price to be paid to the grower was fixed by the board with the advice of this advisory body. The cabinet of course had to approve that. Later, of course, the thing was just set by this committee of the cabinet. In 1939 this practice was changed and the initial price was put in the act. At that time it was seventy cents. In 1943 that price was raised to ninety cents, was later raised to $1.25 and last year was raised to $1.35. From the remarks the minister made I take it that the government is now going to recognize the fact that it is better not to put in the act a fixed price. I think he said that they are now going to operate by putting in a provision giving the government power to increase payments from time to time. In earlier years no farmer was compelled to sell through the board.

To continue with this little history, when the war came on, the board, as the minister himself said a few minutes ago, took a monopoly position with regard to the marketing of wheat and all farmers were required to deliver their wheat to the board as and when they were required to do so. That war policy was continued by the act passed last year. Personally I do not think it should be continued. I do not think the farmers should be compelled, if they do not want to do so, to deliver their grain to a particular place, and so forth, and in a particular quantity. I have always found it hard to understand the desire on the part of a lot of people to force other people to do certain things. I do not think anybody should be forced to do anything unless it is necessary or essential to the general welfare of the state and the people of the state. It has been well demonstrated that to compel farmers to deliver wheat at a certain place at a certain price is something which is not necessary to the welfare of the state.

So much for that. If oats and barley are placed under the control of the wheat board the government will set the price at which they will be sold or bought. That price will be set at the discretion of the government and to some extent is bound to be influenced by political considerations. There is no question about that; you cannot get away from it. A government such as we have in this country, which I hope to some extent at least is affected by general political currents, is bound to set such prices on political grounds. That is a situation I think we should avoid. The minister recognizes the difficulties of placing oats and barley under the board; he enumerated a number of them. I am glad he recognizes those difficulties. Perhaps, as has been suggested, this measure has been introduced with the idea of not carrying it into effect. Well, if it is not going to be carried into effect why have it there? Let us not bother with it; let us not have it at all; let us not have it in our minds to worry about; let us cut it out altogether.

As the minister pointed out, the marketing of coarse grains is a totally different matter from the marketing of wheat. The major part of our wheat crop is sold abroad, whereas the major part of our coarse grains is sold in Canada. In marketing our wheat abroad the wheat board has the world price to guide it in relation to the price it pays in Canada. In other words it is a marketing agency which does what might be called state trading on the markets of the world; but in fixing its prices it has to be guided to a great extent by the prices paid on the world markets. Of course in normal times, at least, its purpose has been to get the highest possible price for our wheat, because that operated to the good of the people of Canada as a whole and particularly the good of the producers. Therefore I think the wheat board has always looked upon itself as a sort of agent of the producers. The marketing of coarse grains is something entirely different. Immediately it raises an important domestic problem. Naturally the growers want as much as they can get for their grain, while the buyers want to get it as cheaply as possible.

If the marketing of this grain, which I say is a domestic matter, is put into the hands of

the wheat board, then the board, which means really the government, is going to be subjected to terrific political pressure, on the one hand to put the price up and on the other hand to keep the price down. That being so the board would have to try to fix a price which would please both sides. That is an impossibility. The actual position in the country is that there are far more buyers than sellers of coarse grains. The sellers are chiefly in western Canada. The buyers are principally in eastern Canada, with some in British Columbia. If the setting of these prices is in the hands of the government I think anyone can see what is going to happen. The people who want to buy the grain are going to put all the pressure possible on the government to have the price kept low; and since there are three or four times more votes to be secured by setting a low price than by setting a high price it is pretty easy for anyone to see where the western Canadian grain grower is going to be. He will be right squarely behind the eight ball. I point that out to the members of the C.C.F., who apparently are eager to bring coarse grains under the control of the wheat board.

The western portion of my constituency is largely a coarse grain growing area, and I do not think the farmers there want this change; in fact I am quite sure they do not. I noticed a report in the Winnipeg *Free Press* that the Alberta wheat pool is opposed to this measure. The hon. member for Swift Current said the Saskatchewan wheat pool supported it, but apparently, from the account I have, the Alberta wheat pool is opposed to it, together with other Alberta farm organizations.

The general effect of the board taking control of coarse grains will be to promote conflict between the western growers of grain on the one hand and the buyers in eastern Canada and British Columbia on the other. I do not think the wheat board itself would want to be in the position of trying to satisfy both, or having to arbitrate between them and I do not think a bill of this kind, which will create such a situation, should be adopted. In the past the buyer of coarse grains always thought he should get them more cheaply, while the seller always thought he should get more for his grain. They both blamed the Winnipeg grain exchange, the railway companies, the grain merchants and so on for their troubles; but you did not have the farmers in various parts of the country at each other's throats, as you will have under this bill. Formerly the price was set by the free play of the law of supply and demand, the natural economic law, and while everyone grumbled no one really got very sore.

In conclusion it seems to me that to have the wheat board market coarse grains will change the entire purpose for which the board was set up. It was designed to be an organization for the benefit of the wheat producer, to market his products to the best possible advantage. This change, to have it handle oats and barley, will turn the board into a consumers' price fixing board, and we will find the board to a large extent in the position of holding down the price to the producer to the minimum under which he will grow grain at all. So I say let us keep the board as a producers' agency instead of making it a substitute for the wartime prices and trade board.

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, this is a question of great interest to eastern farmers, and I am going to discuss it from their point of view. When I say eastern farmers I mean the farmers of Ontario, Quebec and the maritimes.

I listened with great interest to the speech of the hon. member for Calgary East (Mr. Harkness), who expressed some views which I share, though I regret not being able to agree with everything he said. I listened carefully also to the hon. members of the C.C.F. and Social Credit groups who have spoken this afternoon. Their speeches were most interesting because they revealed the opinions of a certain group of farmers in the west who would favour this measure inasmuch as they would be able to obtain a refund to cover the difference between the world price of wheat and the price they have been paid. If I understand their position correctly, it is that they agree with this measure provided that the wheat growers of the west receive a certain form of compensation. I understand their point of view; it is their business to urge upon the government the acceptance of that plan.

But I come as a representative from eastern Canada. Very seldom does the house hear members from Quebec, Ontario or the maritime provinces speak about wheat. But wheat is a matter of great interest to us as well as to the farmers of British Columbia, because we may join hands across the prairies for mutual needs. When on occasions I express myself along lines which might not be considered strictly orthodox from the point of view of party, I do so because it is my duty. Indeed I am sure it is my duty in this House of Commons to speak on behalf of my fellow citizens in eastern Canada, not only those in my constituency, but all the farmers, all the

merchants and all the users of grain in eastern Canada. Some of them admit that during the war some emergency measures had to be taken, but they urge that at the present time we must consider the matter from the point of view not only of the east but also of Canada at large. My hon. friends from the west, no matter to which party they belong, have specialized in wheat. Therefore at times they are surprised when one who is not a farmer, and who comes from the east, expresses himself on behalf of constituents and of eastern Canada at large with respect to problems as technical as this one.

Speaking as a Liberal, I am for free enterprise and I am against controls. You know that, sir. I have repeated it often in the house. I shall not dwell upon the amendment moved by the hon. member for Souris (Mr. Ross), nor shall I discuss his point of view, because in my opinion the amendment is out of order. Sooner or later Your Honour will be called upon to give a ruling as to whether or not it is in order.

Speaking to the resolution I would ask the minister to consider striking out the last fourteen words—

—and to empower the governor in council to extend the present system to oats or barley.

In this country the east and west shall meet; the statement that never the twain shall meet is untrue. We shall meet together for common assistance and help.

Mixed farming has existed in the west for a certain number of years; but in the east it is followed to a much greater extent, and eastern farmers are dependent upon the west for help in the raising of their stock. There are difficulties of transportation and other difficulties which come from the incompetence of man. Those difficulties should not exist. I have already pointed out what has happened because of the incompetence of the feeds controller in the wartime prices and trade board. My views were published in every newspaper, but I have had no support from the House of Commons in having him removed from his office, despite the fact that he has nothing to do now and does not deserve a pension from the state for the chaotic condition for which he was responsible in connection with the delivery of feed grains to the east.

I am not particularly interested, however, in any individual. I shall be just as lenient as my colleagues have been regarding that fellow, whom I do not know. But I am interested in the welfare of eastern farmers, who also deserve their share. We have heard protestations from the west; whether they are right or wrong I shall not now discuss. I know that the eastern farmers have a case too, and their case will be vindicated in the House of Commons. We want eastern farmers to have justice from the government. Justice will never come from bureaucrats, but justice they are entitled to have from the government of this country.

Mr. BLACKMORE: We will back you.

Mr. POULIOT: Thank you, sir. And it is in that spirit and in that hope that I place before the house today the case of the farmer in respect of the distribution of feed grains.

As it is almost six o'clock I shall tell you, sir, that believing sincerely in free enterprise I have the deep conviction that this is not the time to impose controls on feed grains. Now the farmer is doing much better; he is making greater profit. This applies not only to those in the east who raise hogs and cattle but also to those in the west who raise them. The farmer is making more money now, since controls on feed grains have been abolished.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

BELL TELEPHONE COMPANY OF CANADA

Mr. EDOUARD RINFRET (Outremont) moved the second reading of Bill No. 8, respecting the Bell Telephone Company of Canada.

Mr. GREEN: Is the sponsor not speaking on the bill?

Mr. RINFRET: Yes, Mr. Speaker. Telephone development in Canada dates from the year 1880, when the Bell Telephone Company was incorporated by act of parliament. Although at that time all patents and lines were owned by the Canadian Telephone Company it was dependent on the Bell company, to which it sold out in 1882. During the year 1883 the Bell company operated in Canada with 4,400 rental earning telephones, 44 exchanges and 40 agencies with 600 miles of long distance wire. It controlled development in all the provinces except British Columbia, where the greater part of the system has always been in the hands of the British Columbia Telephone Company Limited.

With the rapid growth of private companies in the maritime provinces, the lines of the Bell company were disposed of in 1888 to the

Maritime Telegraph and Telephone Company in Nova Scotia and to the New Brunswick Telephone Company in New Brunswick, a minority interest in these corporations being now held by the Bell company.

A development of a different kind is seen in the three prairie provinces, where well-organized systems were sold to the governments of Manitoba and Alberta in 1908, and to Saskatchewan in 1909.

The lines in Ontario and Quebec are still largely owned by the Bell company. They represent a potential market of some 8,000,000 population. The 1947 edition of the Canada Year Book shows that in 1945 there were 3,151 telephone systems in Canada. Included therein are the three large provincial systems in Manitoba, Saskatchewan and Alberta, smaller governmental systems in Ontario, Quebec and New Brunswick, together with the system operated by the Dominion Department of Public Works, the National Parks of Canada, Department of Mines and Resources. They also include 24 municipal systems, the largest operated by the cities of Edmonton, Fort William and Port Arthur; 2,368 co-operative telephone companies, and some 527 stock companies. Of these systems 893 operate in the Ontario and Quebec area, in only 13 of which the Bell company has a controlling interest. Over 60 per cent of the total telephone investment in Canada belongs to the Bell company, and their telephones in Quebec and Ontario constitute 57 per cent of the total for Canada.

The Bell company was originally incorporated with an authorized capital of $500,000, which was increased from time to time. The company's present capital is $150,000,000 which was authorized and created by virtue of the provisions of chapter 93 of the 1929 statutes.

Mr. REID: Has the hon. member the number of persons served by the Bell Telephone Company?

Mr. RINFRET: It has a potential market of eight million people. As of December 31, 1947, $126,420,900 of authorized capital had been issued and paid in full.

Mr. MacNICOL: In what year?

Mr. RINFRET: As of December 31, 1947. $425,600 had been subscribed and allotted under subscriptions payable in instalments under the terms of the company's last stock offering in 1947; $10,091,700 subscribed by employees is payable by instalments under the provisions of the company's stock plan. These three amounts total $136,938,200.

[Mr. Rinfret.]

It will be of interest to the house to know that these shares are held by 34,439 shareholders, of which 33,013 or 95·9 per cent are Canadians, and that these shareholders own 80·3 per cent of the total stock of the company, 73·7 per cent being held in Quebec and Ontario and 6·6 per cent in other Canadian provinces, 4,230 employees of the company hold an aggregate of 72,875 shares.

Deducting the amount of capital stock held by these 34,439 shareholders, totalling $136,938,200 from the $150,000,000 of capital stock authorized, leaves the company with a balance of $13,061,800 of authorized capital available under its present statutory authority.

The Bell Telephone Company of Canada has reached the position where nearly all of its authorized capital has been sold and issued, and the proceeds converted into telephone plant, so that it is now left with insufficient authorized capital available to provide the means for carrying on the work of enlarging and extending its telephone system and facilities to the extent necessary to meet the public demand for telephone service. This balance of $13,061,800 of authorized capital stock is wholly insufficient to enable the company to carry out the very substantial construction program which it must undertake if it is to provide the public with the telephone service which they require. The purpose of this bill is to obtain authority to increase the capital stock by $350,000,000.

With your leave, I would like to try to outline the conditions giving rise to this large construction program and the construction program itself.

As all hon. members of this house know, during the war and the two years which have followed the cessation of hostilities, there was a great shortage of materials and manpower. The use of materials of nearly every kind was necessarily restricted or rationed so that the greatest amount of our country's resources could be devoted to the prosecution of the war. These shortages and restrictions affected virtually all of the materials required in the telephone industry and made it impossible for the company to increase and extend its facilities during that period to the extent necessary to meet or keep pace with the demand for telephone service which increased continually.

What facilities they had, and those that could be provided out of the materials made available to them, had to be used primarily for serving war industries and other essential wartime services which necessarily had to be given first priority.

During the war period, there was little that the company could do to make provision for the telephone needs of the civilian public. Private citizens had to be told that there were no facilities and no facilities could be provided to serve them. Practically all of the spare or stand-by facilities had been put into service. Yet during this six-year period of war the demand for telephones and telephone service continually increased. By the end of 1947 the total telephones in service by the company was 1,306,975, seventy per cent of which were dial operated.

On August 1, 1945, which was just before the war ended, there were 89,000 applications for telephone service which could not be filled on account of lack of facilities. Since that time, that is from August 1, 1945 to the end of 1947, the company, by the expenditure of about $89,300,000 capital funds, has been able to provide the facilities required actually to put 293,000 additional telephones in service. But despite this large increase of twenty-nine per cent of telephones in service, due to the continuing heavy demand, the company is still faced with 94,000 applications for telephone service which it cannot yet provide.

This however is only part of the story. During 1947 there was an average of daily local calls of 8,479,000. The long distance lines are over crowded with messages. In 1939 the company's long distance lines carried an average of 60,000 long distance calls daily. Now they are required to carry 165,000 daily, sixty million in the year as compared with 21,900,000 in 1939—nearly three times as much.

The company has done considerable work in providing service in its rural area since the end of the war. As a matter of record, since January 1, 1945, the increase in rural telephones was 28,701, and the money spent to provide them was $6,738,000. In 1945 thirty-nine per cent of the rural establishments in the Bell area had service. By the end of 1947 it had increased to fifty-five per cent.

The company has not been able to provide adequate facilities properly to carry this increased burden. The providing of the facilities requisite to meet this heavy demand is not merely a matter of providing telephones and stringing wires. Telephones and wires are useless without the involved switchboard and central office equipment necessary to make them function. The switchboards and central office equipment cannot be obtained ready-made; they must be designed and manufactured for the precise places in which they are intended to function. The company cannot install switchboards and central office equipment without having proper buildings in which to house them. These buildings and the additions to buildings must be designed and erected. The planning, designing, manufacturing and erection of switchboards, central office equipment and buildings are projects which require time and which must be planned and designed well in advance.

The house will also appreciate that in the planning and designing of plant and buildings it is necessary that the company be in a position to see its way to finance such projects. The planning of extensions and additions to the system also involves the estimating of the probable future demand so that provision may be made for future development in carrying out the works and the company may have the benefit of the economic advantages of so doing. It is therefore necessary to plan projects and the financing of them on a physical and financial forecast of at least five years.

The authority the Bell company is seeking involves a substantial increase in capital, $350 million, but its projected construction program calls for substantial expenditures. The program for the next five years calls for an estimated gross expenditure of $362 million of capital money. It includes buildings for new dial central office equipment in urban centres, an extension of rural telephone service, the installation of additional long-distance switchboards, the extension of multi-channel cable carrier systems, the trial installation of high frequency, point to point radio link for telephone service, experimentation with mobile telephone service, and so forth. The estimate of expenditures for the next five years is as follows:

Right of way $1,233,000
Land and buildings $42,260,000
Central office equipment $96,885,000
Station equipment $94,607,000
Exchange lines $86,518,000
Toll lines $25,605,000
General equipment, $14,630,000
Total, $361,738,000

The estimated increase in telephones in rural areas in the next four years depends on the company's ability to obtain material and equipment. It is expected, however, that 38,400 additional telephones will be installed and an amount of $25,600,000 spent.

At the end of 1951 it is estimated that between 65 and 70 per cent will have service in the rural areas. These figures will be very close to the development in urban areas.

In addition to this, it is the company's considered opinion that it may be faced with a construction program of like magnitude in

the succeeding five years, that is, 1953 to 1957. Therefore the capital expenditures during the next decade will run into very substantial amounts.

It will be appreciated that it is a very difficult thing to estimate the construction program for a telephone industry for as much as ten years in advance. Such a program is necessarily predicated on views of industrial activity of business outlook for that period. One method of testing the company's views has been to look to the past experience of the company, particularly to the period following the first great war, with which the period we are now in has and will have factors in common, particularly in the field with which we are concerned—that is, plant expansion in industry and the development of new projects resulting from wartime research.

In 1920 the capital obligations of the company amounted to about $44,000,000. By the end of that decade of expansion the obligations amounted to about $160 million; it increased in excess of three and a half times. The company's capital stock increased in like proportion—that is from less than twenty-three millions to nearly seventy-seven million. The debt capital increased more than four times—that is, from less than seventeen million to slightly over seventy million. While this measure is not put forward as being a true test of the company's requirements it is, however, indicative of the difficulty of envisioning the requirements during a period of expansion.

In 1920 the company's issued capital stock was $23,000,000. The company came to parliament, sought and obtained authority to more than treble the then existing issued capital of $23,000,000. That proved to be insufficient to carry the company through the full expansion period which ended in 1931 and the company again had to apply for a further increase in 1929. If in 1920 the company had sought an increase in capital of sufficient amount to carry it through this expansion period it would probably have been thought to be over-reaching.

Of course it is not intended that all of this vast amount of money which is required will be raised through the issue of capital stock. It is contemplated that something in the neighbourhood of half of it will be obtained through borrowings and other available resources of the company, such as depreciation credits, which will be used and invested in the plant to be constructed. As at December 31, 1947 the debt ratio was 33·24 per cent; with the last issue of bonds it has reached 41·6 per cent. Thus, according to the best forecasting and estimating, the company thinks and expects that it will need the $350 million of additional capital authorized by this bill to carry the expansion and extension of its system.

The granting of the authority to increase the capital as prayed for does not leave it to the company to issue and dispose of the new capital as it sees fit. Subsection 2 of section 1 of the bill re-enacts the provision that was contained in chapter 93 of the statutes of 1929 and deprives the company of the power to make any issue, sale or other disposition of its capital stock without first obtaining the approval of the Board of Transport Commissioners for Canada of the amount, terms and conditions of such issue, sale or other disposition of such capital stock.

I respectfully submit that this subsection 2 fully and amply protects any and all public interests that might be involved.

By section 2 of chapter 41 of the statutes of 1902, parliament imposed upon the company the obligation of furnishing telephone service and telephones of the latest improved design to the public upon demand. It is therefore, I submit, in the public interest that the company be put in a position where it can fulfil this duty. To discharge this duty it is necessary that the company enlarge and extend its system and facilities to the point where it can meet the public need and furnish service on demand. As already mentioned, there are 94,000 waiting applications for service. By this bill, the Bell company is asking the authority to be permitted to go out, from time to time, after satisfying the Board of Transport Commissioners for Canada of the propriety of doing so, to raise the necessary capital to enable it to discharge its duty to the public.

I cannot think of a better way to express the sentiment of the Bell company as to section 3 of the bill than to cite to you the exact words of its president at the last meeting of shareholders:

> During the discussion of our bill, the banking and commerce committee of the senate adopted an amendment to the bill reducing the par value of our stock from $100 per share to $25 per share. In other words, it proposed to provide for the subdivision of our shares in the ratio of four for one. In the sixty-eight years of the company's history, our stock has not been split or subdivided. The amount paid into the treasury of the company by the shareholders averages $119 for each $100 par value share issued and outstanding. With this record there is a natural reluctance to disturb a condition which has stood the test of time. However, it was suggested by the committee that the division of shares would encourage the small investor to become a shareholder of the company,

and, to the extent that this action will increase the number of shareholders, it should assist the future equity financing of the company.

Mr. BENTLEY: Would the hon. member mind telling us what he is quoting from? Is it the company's prospectus?

Mr. RINFRET: I said this was an extract from the report of the president of the company at the last meeting of shareholders.

Mr. JOHNSTON: On a point of order, Mr. Speaker, is an hon. member allowed to read at such length? If so, we should know so that we may all do the same.

Mr. RINFRET: Does the hon. member expect that I should know all these figures by heart?

Mr. SPEAKER: Order. The hon. member who has the floor knows that it is against the rules to read a speech, but I took it for granted that, seeing that he has so many figures to quote, he would have to consult his notes.

Mr. RINFRET: If the hon. member will agree to make a whole speech in French for forty minutes without notes, then I will leave my notes aside.

Mr. ZAPLITNY: On a point of order, Mr. Speaker, I do not think that the remarks of the hon. member were called for.

Mr. JOHNSTON: Whether I speak in French or in English, I do not speak from written prepared speeches or documents handed me by somebody else. If this is to be allowed I shall take advantage of the privilege myself.

Mr. SPEAKER: I would ask hon. members not to interrupt the member who has the floor. I would ask the hon. member himself not to read his speech, but of course he is allowed to consult his notes.

Mr. RINFRET: As regards the last remarks of the hon. member, this is my own writing. It was not prepared by anybody else. I am quoting from the exact words of the president of the Bell Telephone Company at the last meeting of shareholders.

Mr. BENTLEY: He is making the speech, not you.

Mr. SPEAKER: Order. I would ask hon. members to abide by the rules. The member who has the floor should not be interrupted without his permission.

Mr. RINFRET: To finish the quotation:

In the light of these considerations, the company did not oppose the amendment.

It is immaterial to the company whether this amendment carries or not; it does not change the situation of the shareholders as to their proportionate holdings or as to their participation of profits. The net profits of the company available for dividends must necessarily be the same net profits regardless of the par value of the stock. The same profits will have to be distributed over a greater number of shares having the same aggregate value. I leave this matter in the hands of hon. members.

Section 4 of the bill is identical with section 39 of the Dominion Companies Act, with the exception of the substitution of the word "the" underlined in the second line for the word "a" to conform to the context.

Section 39 applies to every dominion company incorporated by letters patent and enables such companies to act and rely upon letters probate or letters of administration or other testamentary document granted by any court in Canada, Great Britain, Northern Ireland or any other of His Majesty's dominions, colonies or dependencies or in any foreign country when called upon to enter a transmission of its shares upon its registers in consequence of the death of a shareholder.

The Ontario Companies Act contains a like provision in section 62 applicable to all Ontario letters-patent companies.

Neither section 39 of the Dominion Companies Act nor section 62 of the Ontario Companies Act applies to the Bell Telephone Company of Canada.

Under the general law of Ontario courts will not recognize letters probate or letters of administration or other documents testamentary which have issued out of the courts of the other provinces of Canada or of foreign countries unless they have been re-sealed or otherwise authenticated by the surrogate courts in Ontario. The result is that if the company were to allow a transmission of its shares to be entered on its Toronto register relying upon letters probate or administration of any province or of any foreign country which have not been authenticated by the surrogate courts in Ontario it would have no protection and could not justify its position if the transmission became involved in litigation.

In the case of a deceased shareholder who dies domiciled other than in Ontario or Quebec the company is therefore in the position of either having to insist that the estate go to the expense of having the testamentary documents authenticated in Ontario or that the transmission be entered in Montreal where article 1220 of the Quebec civil code would

afford it the desired protection. This sometimes causes delay and some irritation on the part of the executors and their solicitors.

It is this situation which would be remedied by this proposed section, and its enactment would undoubtedly be helpful to those acting for the estates of shareholders who died domiciled elsewhere than in Ontario and Quebec.

Section 5 of the bill, which deals with wireless and radiotelephone services, is intended to clarify the company's powers under its original act of incorporation with regard to the use of the latest improvements in the art of telephony, including radio and wireless telephone and television, in providing the communication service which it furnishes. Wireless and radiotelephone is a comparatively new development in the art of communication and lies in the field in which the company operates. It is important not only to the company but to the public service which the company provides that there should be no question as to its powers to furnish service by this means. The company is already engaged in the furnishing of service to mobile stations in automobiles and trucks, which cannot be provided by any means other than radiotelephone. This can be extended to aircraft, railway trains and ships. The company is using radiotelephone facilities to connect its wire lines across the St. Lawrence river from Joliette to Sorel. It operates a radiotelephone service between Leamington and Pelee island where ice conditions frequently used to damage submarine cables and interrupt the service. It has furnished transatlantic telephone service by radio for a number of years in conjunction with the Canadian Marconi Company.

Wireless or radiotelephone systems can also be used to extend telephone service to localities which cannot be economically or physically served by wire lines, such as island communities—I have already referred to Pelee island—isolated communities in the northern parts of Ontario and Quebec and other inaccessible points, or where other means may be unreliable. The extending of telephone service in this manner will become of increasing importance as our country expands and develops.

Wireless telephone or radio is assuming increasing importance in the economical development of the telephone system. Developments in recent years have progressed rapidly and there is every likelihood that wireless telephone or radio systems capable of handling large numbers of communication channels over long distances may in many cases prove to be an economical alternative to the use of wire lines. Since the economical development of the company's system involves the use of such new developments as become available, it is planned to use wireless telephone and radio systems as an alternative to wire lines where such use is indicated to be the proper procedure.

The radiotelephone is also very useful as stand-by equipment to substitute for wires in case of damage by storms.

Section 6 is intended to improve the French translation of the company's corporate name as it appears in the French version of the statutes. The French version of the company's act of incorporation passed in 1880 and the French version of all subsequent amending acts give the company's name as "La Compagnie Canadienne de Telephone Bell" followed by the English name "The Bell Telephone Company of Canada" in brackets. The name "La Compagnie Canadienne de Telephone Bell" translates into English as "The Canadian Bell Telephone Company" or "The Bell Canadian Telephone Company" and not into "The Bell Telephone Company of Canada". The company has never used "La Compagnie Canadienne de Telephone Bell" in any of its publications in the French language; it has always used "La Compagnie de Telephone Bell du Canada"; and the purpose of this proposed section is to regularize the use of the French version of the company's name which the company actually uses and which it prefers as the better translation. This proposed change has been submitted to the bureau for translations, which agrees that the name proposed is the better translation.

That is the bill that is before the house, Mr. Speaker. I therefore move that this bill be referred to the standing committee on railways, canals and telegraph lines, where members will have full opportunity to examine it completely.

I may say that it is the intention of the company to apply to the committee to have all the evidence submitted taken in shorthand, so that every hon. member will have a complete record before him when the bill comes back before the committee of the whole house.

Mr. J. R. MacNICOL (Davenport): My first words, Mr. Speaker, must be complimentary ones expressing praise for the way in which the hon. member who has just taken his seat delivered his speech. I want to compliment him on speaking the English language so well that one could not tell whether he was an English Canadian or a French Canadian. It is a great credit to him that he is able to speak both languages as well as he does. I would give a great deal if

I could stand up here tonight and speak in French. Although I can read French very well, I would not undertake to speak in the house in that language because I could not do it in anything like the way in which the hon. member spoke English.

If the hon. member for Broadview (Mr. Church) were here I would not have to say a word tonight. He would be quite capable of talking until nine o'clock as he did on a former occasion when a similar bill was introduced in 1928, just twenty years ago. He has strong views with regard to this matter, but he found it necessary to return to Toronto yesterday on a matter of business, so I shall try to fill in for a little while anyway; and if I cannot fill in until nine o'clock there are several others who can do so.

The hon. member quoted some figures that I am not just sure about. Possibly they were the latest figures. But the latest figures I have been able to get are those from the 1946 Survey of Corporate Securities published by the *Financial Post* which I obtained from our own library here. I have forgotten just how many telephones the hon. member said are now in operation, but the latest report published is that for 1945; and this report says that there were in operation in 1945, 1,050,113, together with another 187,349—I presume that means country phones and subsidiaries. So evidently there has been considerable growth, for which the company deserves credit. We must give them credit for that.

Speaking of the Bell Telephone Company, I may say that on one of my last visits to Brantford I went out to where Alexander Graham Bell was born, a small farmhouse near the city of Brantford. I believe it is now a Bell telephone shrine. It is simply wonderful that a young Canadian boy out in the country produced and developed this marvellous organization we have today—because it is a marvellous organization and has done a great job.

There are, however, some things that I am not just satisfied with. Although it is giving a good service, and I am not complaining about it, I am sure that it could give much better service in some directions. Let me give you an example of what I mean. Last summer I was in the town of Mount Forest. It was a Saturday, and I had received a telegram about a member of the family having been seriously injured. I went to the telephone office in Mount Forest at five minutes after twelve and found a note on the door saying, "Office closed; go to the hotel." I went to the hotel on the main street in the town. The telephone booth was occupied by a young man who was having an interesting conversation with somebody; it gave him a good deal of enjoyment. After standing there waiting on him for several minutes, I finally gained entrance to the telephone booth. I hope that the mover of this bill, in reporting to the telephone company, will suggest that they see to it that in all small towns where they have full and absolute control—a giant monopoly with no opposition whatever—they give full service to the people. I drove then from Mount Forest to a place called Mitchell, in the direction I had to go to see the person who had been injured. Again in Mitchell I went to the telephone office and found on the door a sign reading, "Closed for the afternoon. Go to the hotel office." Again I went to the hotel, and I could get no attention there either.

That is not service. Generally they do give mighty good service, but I felt at the very first opportunity I should place before the Commons and the public the suggestion that it is not good service for a great public service organization to close down like that on Saturday afternoon. I realize that the employees are entitled to an afternoon off, but there should be other employees to take their places. The company should employ more help if that is necessary. The public demands service, and in my opinion that is not full service. I found the same thing in the far north, though according to what the hon. member said they are now going to rectify the situation in respect to radiotelephone service. The people in the Mackenzie river valley, at Yellowknife and all those areas up there should have received better service all these late years from this monopoly that has full control, that can do what it likes, that can give whatever sort of service it likes, which is not compelled to go out and seek business or to fight against other corporations for business. To my mind there is no excuse for not having given better service in those particulars.

I am taking this opportunity to speak in the hope that this discussion will attract the attention of the people so that when this bill comes back to the house a dozen members may want to take part in the debate; and it is a good debate in which to take part. Over in England I found that in every important part of the larger cities they had telephone booths on the street corners where one could telephone without having to go to a hotel or to a telephone office which might be closed in the afternoon. I think the time has come when this great company, which has almost a perfect monopoly in the two great provinces

of Ontario and Quebec, where most of its business is, should give a better service to the country and to the public.

The last time this company was permitted to increase its capital stock to $150,000,000, and now they are asking for another increase of $350,000,000. Today the par value is $100, but the hon. member said something about an amendment which would permit it to be split, four shares for one. That is a mighty big melon, one of the biggest ever split in this country. Imagine splitting $500,000,000 into stock which is now going to be reduced from $100 to $25 and sold. The hon. gentleman did not mention one thing stated in this report, that 21·7 per cent of the entire outstanding stock of the company belongs to the American Telephone and Telegraph Company.

Mr. RINFRET: I said over eighty per cent of the amount of the capital was held in Canada. I did not make any reference to the American Telephone and Telegraph Company, but its holding is 14·8 per cent.

Mr. MacNICOL: This report, which I presume is correct, states that in 1945 some 21·7 per cent of the outstanding stock was held by the American Telephone and Telegraph Company.

Mr. RINFRET: That is not true today. It is 14·8 per cent.

Mr. MacNICOL: Well, I am glad to hear that more of it is being held in Canada. I must say I am not opposed to a monopoly of the right kind, but I believe that with such a monopoly as they possess they should be able to give an infinitely wider service than they could if they did not have it. The question is, are they giving the service we might expect of them, with the control they have here in Canada? As my hon. friend knows, I believe all their equipment—perhaps not all; I believe some comes from England—is made in Canada by the Northern Electric.

Mr. RINFRET: Some of it is.

Mr. MacNICOL: And the majority of the stock of that company is held by the Bell Telephone Company, so once again they are not up against any competition. Northern Electric sells to the Bell Telephone Company, so naturally you would expect the Bell Telephone Company to be better off than if they had to compete in the market. I am all in favour of competition, but where you have a great national monopoly like this, for service which we need so badly, I am one of those who believe it could be held by the government. I understood the hon. member to say the Bell Telephone Company had been bought out in the three prairie provinces. When I heard that I agreed with it. Whether Ontario and Quebec could afford to buy the resources of the company in those two provinces, I do not know. If not, I hope the time is not too far distant when they may do so. I am not a socialist. I am opposed to socialism. But we own the post office; our cities own the waterworks; in Ontario we own the whole hydro electric system, as they now do in Quebec and Manitoba, I believe. To me that is not socialism. Where you have a great national utility, such as the Canadian National Railways, there is a strong argument in favour of the feeling that all these great public services should belong to the people. If the public bought out this company I believe it would give better service than now is being given to Norman Wells, Aklavik, and all those northern areas.

Mr. RINFRET: I am sorry to interrupt the hon. member, but I do not think the Mackenzie river district is within the territory of the Bell Telephone Company.

Mr. NICHOLSON: It will be if your bill goes through.

Mr. RINFRET: As I said a moment ago, there are 893 other telephone systems in Ontario and Quebec.

Mr. MacNICOL: But the vast majority of those are small systems, little rural lines in villages like Clifford, Ontario, Malton, and elsewhere rural lines. Before I forget it, since my time is nearly up, I want to make one other point. If I call anyone in the town of Weston, which is a suburb of Toronto, I am charged ten cents. It is not very much, I agree, but Toronto and Weston are very close together; so it is with East York and West York and all the municipalities roundabout, and I presume the same thing applies in Montreal. With this gigantic company making so much money, long ago I think it should have given city rates to all the little places within five miles or more of the limits of the large cities.

Mr. RINFRET: Which would mean that the rates would have to be increased.

Mr. MacNICOL: No.

Mr. RINFRET: Because they are usually much smaller in suburban districts.

Mr. MacNICOL: I do not believe they would have to be increased where a company has full control over buying and selling, does not have to seek business, does not have to go out for business and does not have to compete with anyone. Everyone goes to that

company; it does not have to come to anyone for business. It should have been able to give a little better service.

I am not finding fault with the company's service in general; they deserve a good deal of credit. Perhaps these are little things that could have been done before. I remember when I lived in Buffalo, New York, and went to a university there, there were two telephone companies in that city. There was the Frontier Telephone Company and the Bell Telephone Company—but whether they have the two today, I do not know. My memory is that the service was very good. If I could not get a call through on one phone all I had to do was to go to the other one.

It was just at that time that work was being done on developing the dial phone. I am not so sure that it was not in the constituency of the hon. member for Peterborough West (Mr. Fraser) that the dial phone was invented. I remember on many occasions going to see it in process of perfection in Peterborough. I believe I would not be far out if I were to say that the dial phone we use today was developed by Canadians. Canadians have had a good deal to do with the whole development of the telephone business.

I notice from information I have here that in 1945 the total fixed assets were $252,649,926. That is a very fine and substantial accumulation of assets. The company should have been in a position to do much of that about which the hon. member has spoken—and which he says they are going to do—without coming to parliament for this increase of capital. I quite realize that they have many new stations to build, and that they are going to put their wires underground in the cities. I understand there are other very necessary improvements to be made, upon all of which they should be congratulated. I can say further that their general offices in Montreal, Toronto and other cities are a credit to them. I have no doubt they can be greatly expanded so as to give better service, because many of the stations in the big cities are not located as they should be.

Perhaps these are some of the ways in which they would use this large sum of money. My hon. friend gave his statement so concisely, so neatly and so well that for a moment I thought no one was going to say a word. I rose at once so that hon. members would have time to think it over.

I see that in 1945 this company had a net profit of over $6,000,000. I should think that is a satisfactory profit. As I said at the outset I believe this company treats its employees well, and I have noticed that anyone working for it wishes to stay with it. I do not know, however, whether they are giving all to their employees that the government of Canada gives to employees in the civil service. If they have such a surplus I would say they should share some of it with their employees.

Mr. RINFRET: They do.

Mr. MacNICOL: They could have a retirement allowance and a pension.

Mr. RINFRET: I did not mention those things, because they did not come within the provisions of the bill. I can say however that the company has employees' pensions, disability benefits, death benefits—all the benefits one could think of. They also have employees' shares.

Mr. SPEAKER: The hon. member for Davenport has the floor.

Mr. MacNICOL: I allowed the hon. member to interject that, Mr. Speaker; and it was very kind of you to permit him to proceed. It helps his story, and makes my story better.

I said the company treated its employees well. I do not know that there is much more for me to say. I shall close by offering further congratulations to the hon. member for speaking so eloquently, so clearly and so forcefully.

Mr. F. S. ZAPLITNY (Dauphin): Mr. Speaker, I should like to comment briefly upon the measure in the brief time at my disposal. I share the admiration expressed by the hon. member for Davenport (Mr. MacNicol) for the facility with which the hon. member for Outremont (Mr. Rinfret) handled his speech. It was well read. I admired the way the hon. member spoke, but I thought he spoiled it to some extent by his remarks to the hon. member for Bow River (Mr. Johnston). It will be recalled that not so long ago hon. members from the other side of the house objected to the reading of a speech by an hon. member on this side of the house. The suggestion was made that the speech may have been written by somebody else. We did not express ourselves that way today, although perhaps we might have. All one member did was to draw attention to the fact that the speech was being read. I think the remark that was fired back was not a fair one.

The principle of the bill, I should think, involves the question whether the Bell Telephone Company is to be authorized to increase its capital to the extent of $350 million. We must be careful in granting such authorization to any company which, as the hon. member for Davenport has said, is a huge monopoly in at least two provinces in this

dominion. Fortunately in western Canada we have a variety of telephone systems, provincially, municipally and in co-operative associations. By and large they are giving satisfaction.

Mr. SPEAKER: I am sorry to interrupt the hon. member, but the hour for private and public bills having expired, the house will revert to the business before six o'clock.

CANADIAN WHEAT BOARD ACT

PROVISION FOR EMPLOYEES' PENSIONS, MINIMUM PRICE ON WHEAT DELIVERIES, ETC.

The house resumed consideration of the motion of the Minister of Trade and Commerce (Mr. Howe) that the house go into committee to consider the following resolution:

That it is expedient to present a bill to amend the Canadian Wheat Board Act, to authorize the board to provide pensions for members, officers and employees and to make provision for the increase of the fixed minimum price on wheat deliveries; to extend the control of interprovincial movements of wheat products and to empower the governor in council to extend the present system to oats or barley.

Mr. POULIOT: Mr. Speaker, I tell you honestly that I prefer to argue the case of the farmer to that of the Canadian wheat board. There have been many complaints to the effect that that institution is not working properly, and yet we are to give it more power. We know that many farmers manufacture their own feeds for use on their farms, and it is also known that any farmer, merchant or manufacturer of feeds will tell you that the handling of feed grains by the Canadian wheat board and the wartime prices and trade board has been most unsatisfactory.

Since the Winnipeg grain exchange has been reorganized it is important to remember that any user of grain can now purchase any quantity of oats or barley, either bagged or in bulk, at prices which definitely give the user a larger margin of profit than was obtainable before ceiling prices on coarse grains were removed. If the farmer is of opinion that the margin of profit derived is sufficient he can hedge his purchase of grain, which guarantees him his profit until such time as his livestock is marketed. If the grain user is in the market for oats or barley for later delivery he can purchase his requirements at any time the price is suitable to him, or as already mentioned he can hedge his purchasing to establish his flat profit. The farmer is unable to hedge his purchases of feed grain as soon as feed comes under the Canadian wheat board. This is a composite picture of

the remarks that I have heard in my part of the country, and some of my western friends would be surprised to realize that these remarks are not parochial but apply as well to all the farmers engaged in mixed farming throughout the country from coast to coast.

Mr. WRIGHT: Is that what the Canadian federation of agriculture says?

Mr. POULIOT: I do not believe any more in the Canadian federation of agriculture than I do in the railway brotherhoods. Their members get nothing from the brotherhood and I have had to do a lot of work for them. I believe that the Canadian federation of agriculture is composed of honest men but it is no more representative of the views of the farmers throughout the country than the heads of the railway brotherhoods are of the views of the men working on the railways. Of course that is my personal opinion, but once I told the Minister of Labour that the easiest way to settle labour disputes was to explain the situation to the men themselves over the heads of the union and not let the situation be explained by the union heads who smoke big cigars and wear big gold watch chains. During the war there were many farmers in the house but practically the only one to fight for them here was a lawyer with the initials J.F.P., who was from eastern Canada, but was fighting for the farmers of the west just as much as for the farmers of the east, and fighting their case against everybody. I would like hon. members who are laughing to bear that in mind.

Mr. BENTLEY: You can come over here any time you like.

Mr. POULIOT: My hon. friend was not here then. I was speaking of his illustrious predecessors in that party. It is no use being angry with each other. I try to bring the truth home to my hon. friends. I want them to realize that they are being deceived by the statements of some men who are supposed to represent the farmers but most of whose utterances are in flat contradiction of the views of the farmers and of those engaged in the raising of hogs and cattle in this country. This is how I got my education, by listening to practical farmers. I am always glad to listen to my hon. friends when they talk good sense.

The feed mills established all over the county during the last few years can now buy all their grain requirements in bulk at low prices. My hon. friends know that, as do all those who are engaged in farming.

Mr. WRIGHT: They could always buy coarse grains on the Winnipeg grain exchange.

Mr. POULIOT: Yes, but under grain trade regulations. I am coming to that in a minute, but one thing at a time. I think my hon. friend will see that there are strong reasons against this kind of legislation.

I come now to the feed wheat situation, which was controlled by the boards. The situation there is entirely different. No bulk wheat has been offered for sale to the feeding trade in the east for at least three months. If feed wheat was available, it was only offered basis sacked at extremely high prices, and even at those high levels, eastern grain dealers were obliged to take combination deals of oats, barley and ground wheat at prices far above their normal value to get the odd car of sacked wheat. And the same with flour.

Good quality No. 1 whole bulk oats delivered to country points today costs the dealer approximately $2.50 per hundred pounds. Empty sacks in the country cost ten cents each, making the price for a bag of sacked oats approximately $2.60. Sacked wheat is sold at about $3 per bag to the country buyer, and when he is fortunate enough to get a car of sacked wheat he has to take additional feeds at much higher prices to get it.

It is still worse with flour. The wheat which the Canadian wheat board allocates to the flour mills has never been properly handled. No country farmer or feed dealer can forget that during the war he was obliged to take one bag of flour in order to get one or two bags of feeds.

Mr. CASTLEDEN: Who made that regulation?

Mr. POULIOT: The Canadian wheat board.

Mr. CASTLEDEN: No.

Mr. WRIGHT: No.

Mr. BRYCE: The millers made it.

Mr. POULIOT: My hon. friends know very well that the regulation existed.

Mr. BRYCE: But do not blame it on the wheat board.

Mr. POULIOT: I do not know who made the regulation. Was it the wartime prices and trade board? The wartime prices and trade board or the wheat board—

Mr. MacKINNON: The dealer.

Mr. POULIOT: The dealer, yes; and I will explain why he did it. It came from the miller who got more subsidies on flour.

Mr. BRYCE: That was the miller.

Mr. POULIOT: But this was at the time when wheat and coarse grains and the balanced rations were under control. Now that the coarse grains are no longer under control the farmers may buy the quality they want. They can buy precisely what they want; they can buy balanced rations and they can buy the kind of grain they want without being obliged to accept substitutes at the same time.

Mr. CASTLEDEN: Has the price gone up?

Mr. POULIOT: The price has gone up a little, but on the other hand the farmer is still better off because he makes more money with his sales. He is better than he was at the time of the controls. I will give you the impression of many farmers that I have met from my constituency and from outside of my constituency. The flour, being useless to the farmer, had to be used to feed cattle and hogs. Who would think that flour, which is so fine, should be given to cattle and hogs? The farmers were taken advantage of at the time that the controls existed. My hon. friends will realize that I had something in my mind when I mentioned the Canadian wheat board; but the millers were responsible for it. At the time of the controls, the controls did not prevent the miller from exploiting the people and in not filling their orders as they were sent to them in spite of the controls. Let me explain my case, and when I am through my hon. friends will be in a position to give their judgment, but in the meantime I ask them to be good to me and to be just as kind as they naturally are when I am not wicked with them, and I try never to be.

On such a bag of flour the government, ultimately the taxpayer, had to pay a subsidy of two to three dollars. I estimate that the loss to the treasury on these transactions during the years 1943 to 1946 averaged roughly $10,000,000 to $15,000,000 a year, a complete loss. Since October 1947 the government subsidy on wheat for the manufacture of bread has been removed, but at the time of the controls it was precisely the subsidy that accompanied the control that was the incentive to the miller to exploit the farmer and everybody who was producing cattle or hogs or even poultry. Notwithstanding this removal, there is still so much flour in the country that the general stores and feed dealers are trying their utmost to dispose of their surplus stocks at $1 a bag less than the present mill price. The surplus of flour is still so great that even the inducement of $1 a bag less than its value has not enabled country merchants to reduce their stocks.

The flour administrator, who at the same time is the president of the Lake of the Woods Milling Company, works hand in hand with the Canadian wheat board, definitely to the advantage of his own invested interests. The

Canadian wheat board lack an appreciation of the need of close co-operation with the eastern farmers and the dealers, and they have established an office in Toronto but none in Montreal, the metropolis of Canada. They do not pay much attention to the demands of the Quebec farmers. No careful and sound businessman would consider raising cattle or hogs under present conditions. What measure of protection can he look forward to, knowing that the government at any moment may enter into the picture and upset the price structure on grain to such an extent that investments would be severely jeopardized and most probably wiped out? A large number of farmers intend going out of the business of raising hogs immediately on account of the difficulties that we had not long ago just before the ceilings were taken off.

Mr. ZAPLITNY: Was it not just after the ceilings were taken off?

Mr. POULIOT: I will tell my hon. friend I was open-minded and I suggested here at the time that the ceiling should be taken off or that the grain should be under the Canadian wheat board, but I had so many protests from my constituents about coarse grains being put under the wheat board that in my office I took notes of what they said to me and I submit them to my colleagues in the House of Commons today just as my hon. colleagues of the west do after the complaints that are lodged with them from the farmers or any constituents of their ridings.

I know that Mr. Lamont sent a telegram to Mr. King on February 16, and I understand that point of view. He is the president of the Northwest Line Elevators Association. He said, if the embargo is lifted on coarse grains we will make more money. This is a feeling that I understand, but there is something else. In business there is the law of profit and loss. Anyone who is engaged in any business may make money at a time and he may lose some, but when he ends the year with a sufficient surplus it is considered a reasonable year, a good year or a very good year.

In these matters I have no objection to the farmers of the west receiving the world price for their wheat, provided that they understand that it is essential to their brother farmers from the east or from British Columbia to have the opportunity to buy and to obtain delivery of the coarse grain that is necessary for the economy of this country; and the farmers of the west who are grain growers growing wheat, barley or rye or all these grains may make more money with one kind of grain, with wheat, of which we have a surplus. We have a surplus of wheat, and the surplus, the overproduction, should be exported. It should be sold on the world markets at world prices. I know the western farmers are good enough sports to suffer their loss when the loss is due to the world prices, and they are entitled to their profit. But when it comes to another commodity which is not grown in such quantities and just enough for domestic purposes, the story is different, because we Canadians must look after ourselves. I mean that the farmers of this country must help themselves before thinking of exporting outside of Canada any commodity which their brother farmers need here.

That is why I object to the control of coarse grains. I object to it because the Canadian wheat board will not be in a position to do any better job for the distribution of coarse grains than was the old Marketing Act which was passed in 1944 or 1945. That legislation was wrong. It was a parochial kind of legislation, legislation designed to erect a Chinese wall around each province of Canada. It was nonsensical and it did not work. No one in the west, no one in the east, no one in British Columbia needed that legislation which was imposed on the Canadian people by a government that was not familiar with their needs.

I am not speaking as a lawyer. I am just voicing the representations which have been made to me in my office, on the street, in my home by many people who are not opposed to the farmers of the west any more than they are opposed to the farmers of our own province or the farmers of Ontario. They have the same responsibility for they have the same needs.

Mr. BURTON: They get their information from wrong sources.

Mr. POULIOT: It is their own experience and therefore they cannot be mistaken. I do not complain about the practices of the west. I said I had met enough people in my life to understand human feelings. On the other hand, we have to build up agriculture in this country, and my hon. friend who comes from Edmonton, the former minister of trade and commerce (Mr. MacKinnon) did a very good job until he accepted the transfer of the department to the new Minister of Trade and Commerce (Mr. Howe), who is equally familiar with the problems of the west. And because I trust the Minister of Trade and Commerce just as well as I trust the cabinet—

Mr. KNOWLES: A doubtful compliment.

Mr. POULIOT: No; those are people that we can talk to. If my hon. friend the member

for Winnipeg North Centre (Mr. Knowles) ever became a minister he would think he was God himself and he would excommunicate everybody who did not think as he would. It is dangerous. I hope my hon. friend would not go as far as that, because he would lose his good smile for a perpetual frown.

Mr. KNOWLES: We all realize we really should not interrupt the hon. member.

Mr. POULIOT: My hon. friend knows I like him, and I want to bring conviction to the hearts of hon. members. I want it so much that if I do not succeed in this debate I will take it up again after the amendment is disposed of. I know they are not biased. Perhaps my hon. friends are wrongly informed, but they are open-minded and I want them to make a fine gesture and say, "We may lose a little on this but we shall have an opportunity to earn more on the whole business."

I quote from the resolution:

> . . . to extend the control of interprovincial movements of wheat products and to empower the governor in council to extend the present system to oats or barley.

The Minister of Agriculture, who is a practical farmer, knows the east well enough, he knows the west well enough, and he knows the needs of British Columbia, and I am sure that he will think again about it. I do not want a quick decision.

An hon. MEMBER: You know more about it, do you?

Mr. POULIOT: No, sir. I am not teaching; I am reporting. But if my hon. friend asks me too many questions I may start to teach and I do not know whether it would be with success. I will do my best anyway.

But, sir, what all the farmers of Canada have to do, the farmers without exception, is to unite together and not always believe in these self-appointed loud speakers of councils who do not represent the majority of the good farmers of the country.

Mr. BURTON: How do they get elected?

Mr. POULIOT: It is easy to be elected to a board. It is the easiest thing in the world. It is just as easy as being elected an officer of a brotherhood. My hon. friend knows that, and by the way, my hon. friend is a great humorist. He has a dry humour and sometimes he does not smile when he says things that are very pleasant to listen to. There is his smile again; there is no more dry humour in him. It is humour with a smile.

Mr. BURTON: The hon. member mentioned a moment ago that he was opposed to the controls.

Mr. POULIOT: Yes, sir.

Mr. BURTON: In that case we farmers should be able to market coarse grains where we can get the best market, if there were no controls.

Mr. POULIOT: I will tell my hon. friend that there is a great difference between control of price and embargo. It is not the same thing at all, and my hon. friend is too well gifted to insist on that distinction being made in black and white for him. He knows that very well. I know quite well that if the gentleman who has a farm next to his were in trouble the hon. member would go to his help sooner than he would go to the help of somebody who lives two or three townships away. It is natural. But now we in Canada are all in the same boat and the question is—

The ACTING SPEAKER (Mr. Golding): The hon. member has exhausted his time.

Mr. POULIOT: May I finish my sentence. Thank you, sir. The question is one of assuring the future of the livestock of this country and giving an opportunity to the farmers to continue their work for the benefit of Canada and for the benefit of mankind.

I thank you sir, and I thank the house for its kind attention. This is a serious problem, and as I said at the start, I am speaking on behalf of eastern people—

Mr. BRYCE: Don't let the western farmers hear you.

Mr. POULIOT: They are easier to convince than my hon. friend. I am speaking on behalf of the eastern people, but I am also speaking on behalf of all the farmers of Canada and on behalf of all those who want to see the country make progress.

Mr. C. C. MILLER (Portage la Prairie): There are several angles, Mr. Speaker, to be considered in connection with the matter now before the house. The resolution that was introduced this afternoon seeks to authorize a bill dealing with several different matters which we believe should be introduced in several separate bills. For instance, the question of pensions is mentioned in the original resolution. There is no question that in this modern day and age pensions are a commonplace thing. It is considered by governments at all levels and by business that pensions are good business, and they are now an accepted practice in this country. But at the moment we do not know just what sort of pension scheme is proposed, and naturally we will not know until the legislation comes before the house.

Speaking to the resolution this afternoon the Minister of Trade and Commerce (Mr. Howe) said, as I noted it, that the support for

the pension fund would be by contributions, half by the employees and half by the board. That may be and probably is a sound principle with regard to ordinary corporations. But after all, the Canadian wheat board is to some extent a crown company—it could be called a crown company—and it is dealing with assets which are not its own but are those of the farmers of western Canada. If I understood correctly the import of the minister's remarks, they could only mean that the farmers of this country, out of the proceeds of the sale of their grain, will have to pay fifty per cent of the cost of pensions for the members of the wheat board, its officers and employees. That may be fair enough, and it may be sound enough, but the members of the board, its officers and many of its employees are earning at least respectable salaries. I think most of them are getting fairly well paid. Are we to believe that the government intends that the farmers of western Canada should assist in providing a fund to give these men pensions? If so, I shall have to have a great deal more information before I can bring myself to support any such pension scheme. I am not against a pension for these employees, but at the moment I am inclined to say that I would be sternly against any pensions where any part of the fund out of which they are paid would come out of the proceeds of the sale of the farmers' grain. The only pension I know of that the western farmers themselves can ever get is the old age pension, when they are seventy years old—unless they pay for one through an insurance company. Members of the wheat board and its officers or employees are just as well able to provide pensions out of their own funds as are the farmers of western Canada to do so for them out of the proceeds of the sale of their grain. Unless the minister, in introducing the bill, or at least on second reading of the bill, can show some good reason why this system of establishing a pension fund should be followed, as I said before I would be forced to oppose any such measure.

In any event, Mr. Speaker, I think it is only fair to say—and I think our attitude in this matter is the correct one—that it is not appropriate that provision for pensions should be combined with the other amendments to the Canadian Wheat Board Act. If a pension fund is to be established, it is of sufficient importance to be incorporated in a special bill, and that bill could be a more or less codified measure setting out the system of pensions, how it is to be regulated, and so on.

When the amendments to the Canadian Wheat Board Act were being considered at the last session of parliament, an effort was made by some hon. members, and I think perhaps mainly from this party, to have the employees of the wheat board included in the civil service. At that time objection was taken by the then minister of trade and commerce (Mr. MacKinnon) and one of the grounds of his objection was that the employees of the board were to a large extent temporary or seasonal and it was not practical to have them under the operation of the civil service. If the objection to the inclusion of these employees in the civil service was valid then, I maintain that it is completely in order in respect to the suggestion that a pension fund should be set up for them by the board. How in the world can you pay pensions for seasonal employees? Of course that could be answered by saying it is a mere detail which can be worked out; but in any event the objection then raised is one that I would now take to the inclusion of these employees in the pension scheme. Certainly before I give any vote in favour of this pension scheme, from the knowledge we have of it now, I would say that unless full answers are given to many of the questions which the opposition have asked in the past for information and particulars with respect to employees of the Canadian wheat board, I do not see how we can intelligently discuss any proposed pension scheme.

I suggest to the Minister of Trade and Commerce that when he is discussing this measure, perhaps when he closes the debate, he be prepared to give information with regard to the number of employees and the salaries paid to them, because it seems to me that is information we should have before we consider this pension scheme. In any event we should not at this time make our final judgment as to how we are going to vote on this particular question. I would prefer to see pensions provided for these people; it is only the manner or the means of providing them that I might object to. Therefore on that question I would reserve judgment and deal with the whole question on its merits when the further particulars are given to us, as they should be when the bill is introduced.

The resolution moved by the minister states in part:

> . . . to empower the governor in council to extend the present system to oats or barley.

When the minister was speaking this afternoon he stated, as I noted it, that they were taking or seeking to take the power to include oats or barley under the Canadian wheat board but they were not going to adopt any system of including them under the operations of the act until they had a system that was proved constitutional and workable. If that is so, Mr. Speaker, may I ask why in

the world the resolution contains these words: "to empower the governor in council to extend the present system"? In other words legislation is to be sought to extend the present system, not some other system the government thinks may be devised which will be constitutional and workable.

In any event apparently we are to have an alternative, if the legislation goes through; it is to be oats or barley. I wonder if that wording in the alternative was deliberate, or whether it was an oversight or a misprint. Does it mean that if the proposed legislation passes the house some time one or other might be brought under the operation of the wheat board act, or does it mean "oats and/or barley"? I want to bring that to the attention of the minister, because as it reads now I should say it would be interpreted to mean only one or other could be dealt with. I wonder if that is deliberate and if there was some reason for doing that, or if it is an oversight, or if it was intended that both oats and barley might ultimately be brought under the act.

The legislation which is asked for now is a little stronger than the present act. Hon. members will recall, of course, that the act in question deals with grain, and the definition is wide enough to include all types of grain. But subsection 2 of section 7 of the act as it is at present provides:

> Except as directed by the governor in council the board shall not buy grain, other than wheat.

As I said, that is a little weaker than the proposed legislation, but it seems to me this particular clause is none too clear. It does not say whether the government intend to actually bring oats or barley under the wheat board act, or whether they are just thinking about it, or whether they are taking the power to oblige the Canadian federation of agriculture, or whether they are really sincere in their desire to incorporate these grains under the board. It may be that they are taking the power—and I gather this is very probably the situation, from what the minister said today—hoping that time, the great cure for everything, will show them in some way in which they can please those who want coarse grains brought under the operations of the act, as well as those who are opposed to it.

Personally I have always felt that the wheat board owed its existence purely and solely to the fact that it was supposed to help the farmers of western Canada get good prices for their grain. The idea was that because of certain conditions in the west this wheat board should be created for the sole purpose of seeing that the farmers got the best possible price for their grain. Now it seems to me that as we have gone along from year to year, from amendment to amendment, from operation to operation, the wheat board is in danger of becoming an instrument not designed to get the best possible price for the farmers' products but to make certain they do not get the best price. Today the farmers of western Canada want to get the very best price they possibly can for their coarse grains. It is equally true that the feeders of eastern Canada want to get feed as cheaply as possible. This is an apparent conflict which I submit the government itself can resolve without sacrificing the interests of either the feeder of the east or the farmer of the west. It may be that some scheme will have to be worked out under which prices for the products of the feeders of the east will be increased; but I maintain, and have always maintained, that it is not good for the economy, not only of the west but of the whole of Canada, to depress the price of anything the farmers of the west have to sell. As the Minister of Agriculture knows, and as is known by all who come from western Canada, the farmers of the west are responsible for the prosperity of the rest of Canada. What the farmer gets for his products, he spends, and when the farmers of the west have little money to spend the wheels of industry in the east revolve very slowly indeed.

Another thing that bothers me about the powers which are sought here is that it seems to me there has always been in the minds of the members of the government some uncertainty as to what they are going to do or what they can do in connection with this wheat board act. This session we have a tremendous right about face from the position taken when certain amendments were before the house last session. For instance the Minister of Agriculture, speaking to the amendment moved last session by the hon. member for Yorkton (Mr. Castleden), said at page 858 of *Hansard* for February 27, 1947:

> The amendment, as I understand it, is intended to make this act apply to oats and barley and other grains in exactly the same way as it is now made to apply to wheat. I am quite certain that neither the farm organizations nor the farmers generally would want the act to go quite that far, either those who agree with the government or those who disagree with the government . . . Oats and barley, on the other hand—although this is not so true of rye—are grains which are grown largely for the purpose of feeding them on the farms where they are grown or of selling them from one farmer to another, or from one feeder to another, within the area in which they are grown, which raises altogether different questions with regard to the marketing of the product.

If it were the desire of the committee to pass a provision such as the one suggested, that is if the committee decided that marketing of coarse grains could not be provided for by order in council, but that we must make this act apply in all ways to oats and barley, the same as it applies to wheat, you would be creating an undesirable situation.

I agree, of course, that the government is not definitely saying that oats or barley will be brought under the operations of the board or be made subject to the act. The answer of hon. members opposite may be that they have not yet come to that point. Nevertheless it must mean either that or that the government is fooling the people. Then on page 859 the Minister of Agriculture went on to deal with the same point and summed up in this way:

The whole position in relation to coarse grains is so different from that in relation to wheat that I do not think you can deal with it by an amendment such as the one suggested.

At page 864 the Minister of Agriculture was on his feet again, dealing with the same point, but he went a little further and enlarged on the theory of ultra vires, that it was beyond the jurisdiction of this house to enact legislation along the lines suggested by the hon. member for Yorkton. The Minister of Justice (Mr. Ilsley) was more pronounced in his legal view, although he maintained that he was only giving the house the opinion of his law officers. At pages 862, 865, 866 and 867 he made no bones at all about it by stating that in his opinion the matter was ultra vires of this parliament.

Mr. CASTLEDEN: He admitted he did not not have a very good argument.

Mr. MILLER: So now, while members of the government may not actually have to swallow their own words, certainly they will have to do a good deal of explaining if they maintain, and continue to maintain, that the legislation based upon the resolution will have any substance. Because their arguments last session are just as true and as real now as they ever were. It may be that the government does not intend to bring in any legislation to implement the power it now seeks to have incorporated in the Canadian Wheat Board Act. It must be one or the other.

We can have very little quarrel with the provision for the increase in the fixed minimum price unless, indeed, it would be as to amount. The leader of the opposition (Mr. Bracken) has urged consistently that the fixed minimum price should be substantially increased. I think it is only right and just however that all hon. members should take strong, serious and insistent objection to the suggestion made this afternoon by the Minister of Trade and Commerce that the price would not be included in the bill we are about to consider. It seems difficult to realize that the time has again come when parliament is asked—this is just another instance of it—to pass basic legislation, with the ministers, in their great and wonderful wisdom and judgment, empowered to do the rest. Then we are to go home and forget all about our troubles. It seems to me if we are interested in the welfare of the farmers we should insist upon knowing where those farmers are going to stand in respect of payments to be made to them. We should know what they are going to get. If we go back home at Easter or when the house prorogues and the farmers ask us what they are going to get, and we have to reply that we do not know, then surely they will wonder, and perhaps quite rightly, what in the world we were doing while sitting down here in the House of Commons where we are supposed to represent them.

It may be that the minute we get home, or possibly before we go home at Easter, if this legislation passes, the Minister of Trade and Commerce will make his announcement in his own good time. That has happened before, not under the present minister particularly; but I can well recall the fight that was waged in this chamber by this party at a time when we tried to get higher payments for the farmers when we tried to have the 1945 participation certificates paid to the farmers, and I can recall that on that occasion the Minister of Agriculture told us that what we were asking was not feasible or possible. But within two months after we got home following prorogation the then minister of trade and commerce, who is now Minister of Fisheries, made a speech in which he said that as soon as the House of Commons could reassemble, legislation would be introduced which would permit the making of additional payments to the farmers. Yet we had fought here for weeks, not only co-operative and anxious to help the government to make payments to farmers, but urging the government, times without number, to do so.

It is likely that that will happen again. I maintain we are entitled to have this information, and to continue to argue and fight for it until we get it. I suggest the Minister of Trade and Commerce should reconsider his attitude so far as fixed minimum prices are concerned, and should let us in on the secret. For the first term, anyway, let us know what the fixed minimum price will be.

At the moment the minister under the existing act has some control over interpro-

vincial movements of wheat products. This measure purports to enlarge that control. Until the legislation comes in it will be difficult to make any comment upon it, and I believe the sensible thing to do would be to wait and see what the extension is to be before we enter into any discussion of it.

I must repeat that I do not like the lumping of so many things in one resolution. It is not fair or sensible, it seems to me, and it does not help the progress of the legislation through the house when we find provision for pensions tied in the same sentence with a provision for the payment of an increased minimum price to the farmers. There is no relationship between the two things. It is bad enough to have them tied in one resolution, let alone having them in one sentence in that resolution. There seems almost a sinister threat in this sentence that we must either vote for the pensions willy-nilly, regardless of the arguments that we advance, or we shall be accused of opposing increased payments to the farmers—which the minister knows very well we cannot possibly do in the light of our previous action and our desire on this particular question.

Speaking this afternoon on the motion, the Minister of Trade and Commerce paraphrased the legal opinion of the law officers of the crown, as given in the house by the Minister of Justice, by saying that one that would work was not constitutional and one that was constitutional would not work. I think that is a good phrase. The only trouble is that it puts other hon. members in a bit of a quandary, because we are now faced with a resolution which may or may not be constitutional. According to the Minister of Trade and Commerce, who has quoted with approval the opinion of the Minister of Justice, if it is constitutional it will not work, and if it will work it is not constitutional. He says they are going to wait around and try to find something which will work and also be constitutional. And if he does he has to climb the almost insurmountable barrier which the Minister of Justice has already thrown across his track.

If the Minister of Trade and Commerce is correct when he states that that which is constitutional would not work, then I submit that only fortifies the argument I have made to the effect that the proposed powers in the resolution are nothing more than a mirage thrown up to entice the support of those throughout western and eastern Canada who desire to have a certain measure of control in coarse grains, and to have coarse grains incorporated in the operations of the Canadian wheat board.

So far as that particular question is concerned, I repeat that I am not at this stage endeavouring to offer an argument either for or against the inclusion of oats or barley—or oats and barley, whichever you wish to have it—within the operation of the wheat board. If and when the government makes up its mind actually to come before us and say it is going to do that, then hon. members like myself will make up their minds, based upon the legislation introduced, as to just to what extent we should support the government in any such effort. But at the present time, in view of the arguments we have had not only at this session but at the last, and in view of the nebulous nature of the powers sought under this resolution, it seems to me that we are tilting at a windmill. It is a mere shibboleth and a sham and will never in practice and effect be part of the law of this country. I trust therefore that the Minister of Trade and Commerce will accept the amendment and announce that it is his intention in dealing with this legislation to pursue the method proposed by the hon. member for Souris.

Right Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, in rising to speak to the amendment to the resolution may I say I have listened with considerable interest to the addresses that have been given on behalf of all three opposition groups in the house in support of the amendment.

The resolution itself calls for three important amendments to the wheat board act: first, to make provision for pensions for members, officers and employees of the wheat board; second, to make provision for the increase of the fixed minimum price on wheat deliveries, and third, to make provision empowering the governor in council to give authority to the wheat board to handle oats and/or barley—for the legislation provides for both or either being handled.

The opposition, through the amendment of the hon. member for Souris (Mr. Ross), propose that instead of having just one bill amending the wheat board act we should have three. Since I have been in the house I have heard suggestions that we should have a second amending bill to an act that was already on the statute book or to one that had been put on the statute book at the same session, but on every occasion on which such a suggestion has been made the legitimate criticism was made by the opposition that the government could not have given sufficient consideration in the first place to the amendments they intended to bring in or they would have all been incorporated in the one bill.

I shall not argue at the moment whether the amendment is in order, because that is under consideration by the Chair; but I am inclined to agree with the hon. member for Temiscouata (Mr. Pouliot), who said he does not think the amendment is in order. Until the Speaker has given his ruling upon that point we must assume that the amendment is before the house, and of course it may be the question before the house after his ruling is given. But I think members will agree it is hardly reasonable to expect that the ruling given will be one which permits discussion of the very same subject on three different occasions in the same session. That is what would happen if the amendment should be ruled in order; because immediately the first bill proposed by the opposition was brought into the house every section of the wheat board act would be open for discussion; when we had disposed of that bill and the second bill was brought in, again every section of the wheat board act would be open for discussion, and when we had disposed of both those bills and the third bill was brought in, every section of the wheat board act would be open for discussion a third time. I cannot understand members who are urging that this matter be dealt with expeditiously taking the position that that is the procedure we should follow. In the first place, on the legislation to provide for additional payments, we should have at least as long a discussion as on this resolution. Furthermore, I think each of the three bills the amendment proposes would require to be preceded by a resolution, so that instead of having three discussions on the wheat board act this session we should have six. So far as getting payments out to the farmers is concerned there is no doubt what the effect of that procedure would be. Some members may say that that particular bill could be dealt with first and disposed of so that payments could be made, but I venture to say that to many members of the house, the third bill would be of just as great importance, that is, the bill to bring under wheat board control the marketing of oats and barley.

All three of the western legislatures are now in session. One of them at least is halfway through its session, and the other two are approaching the half-way mark. If there is to be legislation supplementary to any legislation passed by this house this session it would require to be passed, if it is to affect this year's crop, at the sessions now under way in the provinces. As I have said, to adopt the amendment would mean six discussions in this house of the very same act in the weeks that lie ahead. During those weeks we must get through two other important pieces of legislation if we are to continue to make effective the other marketing arrangements for farm products. That must be done before March 31, and anything which would involve delay in dealing with that matter would be just as serious as any delay with legislation having to do with paying out more money to the farmers. I suggest that the proposal made by the opposition might result in very serious hardship to a great many people in western Canada.

We talk a great deal these days about high prices, and high returns for farm products and for manufactured goods, and we are sometimes apt to forget that there are just as many people in western Canada suffering by way of drought as a result of the failure of the 1947 crop as suffered on the average in the actual years of drought that we speak about so much, and these people require payments at an early date. More than that they require soon to know what they ought to do in connection with the crops they are to sow this spring, and if we have to go back to western Canada at Easter and say that we have not yet got legislation through empowering the government to do the thing which many farmers think ought to be done, if we have to tell them we do not know whether it will go through or not—

Mr. BENTLEY: Will the minister permit a question?

Mr. GARDINER: Yes.

Mr. BENTLEY: Have not the wheat board or the government the power now to make an interim payment on wheat?

Mr. GARDINER: No, they have not, and that is why this bill is being brought in. Not only that, Mr. Speaker, but they certainly have not the power, and have not had the power, to place oats and barley under the control of the wheat board in the same sense as wheat is under that board.

Mr. WRIGHT: They had a chance last year.

Mr. GARDINER: Neither of these authorities is now in the hands of the wheat board or the government. Therefore I would suggest that if we are to be of assistance to the farmers this year it is important that these measures be passed as soon as possible. But apart altogether from these arguments—

Mr. BLACKMORE: May I ask the minister a question?

Mr. GARDINER: Wait until I have completed the point; then if the hon. member has

a question I shall be pleased to answer it. Apart altogether from these arguments, it has been an unheard of thing for any government deliberately to bring down three bills in one session to amend the same act; and I venture to say that those who were making the suggestion had in mind the very thing that they were accusing the members of this government of when they were making their speeches.

The hon. member for Souris made a sort of general suggestion that probably we were preparing for an election. The hon. member for Swift Current made some suggestion that it looked as though it might have been the fine hand of the Minister of Agriculture. On previous occasions the hon. member and I have worked in close enough co-operation to know that any fine hand that I have ever exercised in connection with even political matters has been exercised with justice and with consideration for those against whom I fight.

Some hon. MEMBERS: Oh, oh.

Mr. GARDINER: As a matter of fact, we have worked in very close co-operation on more than one occasion.

Members of the C.C.F. rise in their places and say: yes, we are quite prepared to join with our Conservative friends to delay passage of this measure until we can discuss the principles involved on six different occasions before we get the measure through the house; and they are going to do this only because they think, in fairness to the men who are against the very thing that they themselves have been preaching and agreed with, they must give them the opportunity to vote against it. Well, if I have ever heard of anything in the nature of political trickery that would beat that I do not know where it came from.

Mr. BLACKMORE: A straw man.

Mr. GARDINER: I understand my friends in the extreme end talking about straw. They know a little about straw, of course. I understand my friends who sit in the far end feel more than kindly toward our Conservative friends in this end of the house than do those who sit in the centre on the other side. They are co-operating to a large extent in any case out in the province from which they come, and there is no reason why they should not co-operate to a certain extent in this house. That being the case they do find it very easy to join up with our friends here to split up this measure into six different debates during the session, which would hold it up until the middle of June at least.

Having said these things with regard to the procedure which is suggested, may I for a few moments deal with what I consider to be two of the most important proposals to amend the wheat board act. In the first place it is suggested that we be permitted to pay more money to the farmers. The bill now provides for an initial payment of $1.35 a bushel, basis No. 1 northern, Fort William. I quite agree that the hon. member for Souris was correct when he said that last year the opposition moved an amendment to the effect that we then provide to pay more; but at that time we suggested that we desired to have more knowledge as to what was going to happen under the wheat agreement and under the legislation as then proposed in bringing returns to farmers before setting the payment higher. And we did not say that without giving reasons for it. We gave reasons which were referred to this afternoon by the hon. member for Swift Current, without drawing the conclusions which many of us have drawn on previous occasions.

I asked him whether there had been any pooling of oats and barley since 1932, and I might have asked whether there had been any pooling of wheat since 1932. The only reason why there has been no pooling of oats or barley since 1932 is that the wheat pools prior to 1932 made the mistake of paying too high an initial payment and were not able to pay any participation. They reduced the initial payment on wheat four times in a row and still were not able to pay the initial payment of fifty cents a bushel. Having gone through that experience once, Mr. Speaker, we are a little concerned about setting initial payments which, under certain marketing conditions, are apt to lead to difficulty. Therefore we said that we preferred to maintain the initial payment of $1.35 until such time as we had more information on hand.

During the year something has happened. During the year there has been a great deal of propaganda put on. I am surprised to hear hon. members who represent agricultural constituencies, and who should know the views of their own people, talking in the manner in which they have talked. I can understand people being in favour of the grain exchange method of marketing. In the past I have sometimes argued in favour of it myself under certain circumstances. I can understand people saying that under certain circumstances a farmer may get more for his product for a period of time under that system than he can get under some other system. But when hon. members begin to join with an organization which puts out a propagandist to make the best job he can of any figures that he can

obtain in order to convince farmers that marketing their grain, or having the government market it for them, if you like, in their own way is not the best system, then I think men who represent agricultural constituencies should be very careful in repeating the information which is given by those who take that point of view.

For example, in the United States they eat eighty per cent of their wheat and they market the other twenty per cent outside the United States. In order to market that twenty per cent outside the United States at present the government goes on the grain exchange and buys the grain. Not so very long ago Mr. Truman accused the grain exchange of running the price up on the government by speculation. The grain exchange came back with the accusation that in buying 40,000,000 bushels of grain on the Chicago and other markets in the United States the government had pushed up the price of grain. To whom had they put it up? Not to the people of foreign speaking countries; they had put it up to their own government. I am informed that eighty per cent of all the wheat that the United States government purchased at these prices to export outside the United States was given away. In other words the people of the United States themselves are paying the price through taxation and otherwise into the treasury of their country in order to purchase wheat to give it away.

Some people on this side of the line, Mr. Speaker, take the position that by doing that particular thing they have helped the farmers of the United States and established a world price.

Let us take a look at what has happened in the United States. The member for Provencher (Mr. Jutras) made a speech the other night which caused me to go and get the statistics as they apply in the United States. He was perfectly right in saying that the farmers in 1946-47 in the United States got an average price of $1.91 a bushel for their wheat, and that is the highest price they have had in any of the years that have been under discussion recently. I will ask for the privilege of putting on the record a table* which will indicate that in 1931-32 the price of wheat realized by the farmers in Canada, on an average, no matter what grade and no matter what they produced, was 38 cents a bushel, while in the United States it was 39, both under open markets. For the 1932 crop it was 35 cents in Canada and 38·2 in the United States; the 1933 crop, 49 cents in Canada and 74·4 in the United States; the 1934 crop, 61 cents in Canada and 84 cents in the United States; the 1935 crop, 61 cents in Canada and 83 in the United States; the 1936 crop, 94 cents in Canada and $1.02 in the United States; the 1937 crop, $1.02 in Canada and 96 cents in the United States; in 1938, 59 cents in Canada and 56·2 in the United States; and for the 1939 crop, 54 cents in Canada and 69·1 in the United States.

For those ten years the average price obtained in the United States by the farmers was 12 cents a bushel per year higher than the price obtained by the farmers in Canada, all those years being years down to the first year of the war.

Then coming into the war, the Canadian farmer for the 1940 crop received 57 cents a bushel and the American farmer 68·2; in 1941, it was 61 cents in Canada and 94·5 in the United States; in 1942, it was 77 in Canada and $1.09 in the United States.

Then we come to the period in which wheat was taken over by the wheat board and handled by the wheat board exclusively. For the 1943 crop the Canadian average price was $1.13 and the American $1.36. For the 1944 crop the Canadian farmers received $1.21 on an average and the American farmers $1.41. For the 1945 crop the Canadian farmers received an advance of $1.15 on an average and the American farmers an average price of $1.50, and for the 1946 crop the Canadian farmers received an advance of $1.14 and the American farmers an average price of $1.91.

With regard to those last two years that come under this agreement, in 1945, the Canadian farmers realized an advance of $1.15 a bushel at the rate of $1.35 basis No. 1 northern Fort William as provided for under the wheat board act, and this bill provides for paying more.

I can understand the member for Portage la Prairie (Mr. Miller) suggesting that he would like to know just how much more, particularly when we are told, as we were this afternoon by the minister, that there is about $230,000,000 in the treasury now which belongs to the farmers. The government has never emphasized anything else. The government has never suggested that we are going to be kind and give the farmers something. The greatest claim the government has made is that we are going to obtain for the farmers as much under this system as they could have got under any other, and we are going to try to give it to them, not by taking something out of somebody else's pocket and putting it into theirs. We are going to give it by marketing the wheat and marketing it to the

**For table referred to, see appendix, p. 1722.*

people who will consume it, whether in Canada or outside, at a rate which is reasonable and which in the end will bring the farmers reasonable returns.

Let us look for a moment at this $1.15 a bushel which the farmer has received as an advance on his 1945 crop, on an average. We have said to the people—and this bill does not provide for any less—we have said over and over again, that the amount paid this year will not be less than 20 cents a bushel. Well, if it is 20 cents a bushel only, the farmer will realize an advance of $1.35 a bushel, on an average, for all the wheat that he delivered during 1945, and the farmer in the United States received $1.50 a bushel. There is only 15 cents a bushel difference in that; and, with the $230,000,000 which is in the treasury now, and with the $2 a bushel for the 1948 crop, there is no doubt in the world that at least another 20 cents a bushel—I am not going to wait until election time to start to give this information out—not less than another 20 cents a bushel will be available to be paid out to farmers next year, not only for the year 1946 but for the year 1945,—the year 1946, the year 1947, the year 1948 and the year 1949. In other words, that will be five cents a bushel more for every one of the five years than the American farmers got for their wheat, on an average, in the year 1945.

Of course the figures produced by the member for Provencher the other day are correct. The statement he made was absolutely based upon the Washington figures, and the Washington figures indicate that there will be more paid out for the 1945 crop in Canada than was paid to the American farmer for the American crop in the United States. Whatever that amount is, whether it stops at $1.75 a bushel or whether it goes up to $2 a bushel, every cent of it is one cent more, after you pass $1.50 a bushel, than was obtained by the farmers in the United States, and every cent of it that is paid will be one cent that can be charged against this great loss that we are supposed to have taken in 1946.

Let us look at the difference in 1946. The farmer has already had on his wheat for 1946 $1.14 a bushel on the average, no matter what grade or quality or where he lived, and we are paying out at least another 20 cents under this bill, which brings his advance to $1.34. And, as I said a moment ago, with what is ahead of us, and following the same course we followed last year of being careful with the moneys in the treasury, we can pay out another twenty cents next year on the basis of experience. This would bring the total to $1.54. But what would we have to do if we paid it out now? We would have to go to the bank and borrow money and pay interest on it, and the farmers of western Canada are not asking us at the present time to go to the bank and borrow money and charge the interest up to them and pay them another 20 cents over and above the possible 20 cents we may pay under this legislation. They are asking us to sell their wheat at the best returns we can get, to retain funds sufficient to carry on and make sure we shall be able to carry this through to the final conclusion. Then they are asking us to amend the act so that as time goes on we shall be in a position to pay out any sums of money we may have to their credit.

What has that to do with the statement made by the member for Portage la Prairie a few moments ago? He says he wants to know, before he votes on this bill, exactly what we are going to pay out. Well, he is arguing directly against what he argued last year. Last year he was arguing against knowing exactly what we knew we should pay out when we said $1.35, and now he is saying that we ought to write into this bill another figure—let us say $1.60 or $1.70. We ought to write that into the bill instead of $1.35, and in the middle of the next season, after we have sold wheat under the $2 bargain we have made with Great Britain for some months, suppose we are able to pay another 20 cents on top of that. He says we should not have the authority in this bill, but that we should have a definite figure in the bill. Well, of course we should not have a definite figure in it. We should be in a position, Mr. Speaker, not only once a year but at any time throughout the year, if the operations up to date have given them sufficient cash with which to make payments to the farmers—whether it is in the summer, in the winter or any other time—to determine that they are in a position to make those payments.

I have lived in western Canada and the western United States most of my life and have gone through three difficult drought periods before this one. The year 1893 was the worst of the three; 1907 was bad; the thirties were worse than 1907. And if we were not now getting high prices the drought we are going through would be almost as bad as that of the thirties. But we are getting high prices. I have gone through those experiences in western Canada, and I know that we paid out a certain amount of prairie farm assistance two years ago; we paid out another amount a year ago; this year we are paying out more than we have paid out in any other year since 1939—somewhere in the neighbourhood of $16,000,000—to the farmers in the well-known drought area of western Canada. I have gone through enough droughts in the west to know that this

year may not be the last drought year. Under the plan of five-year payments that was brought into effect in 1945 the farmer knows that if there is drought he will have more money coming to him at an increase of twenty cents in each year, no matter when that drought comes; particularly after two years of the period have gone, as they have now, he will have more money coming than he could have had under any other system. A system of that kind is the best system for our country in western Canada, however it is put into effect.

I now want to make the point that there is nothing which indicates that the farmers have taken a loss as compared with farmers elsewhere in connection with the marketing of grain down to the present time. Everything would suggest that, instead of taking a loss, they are going to get more money than they have ever received under any other system in any five-year period. Having said that, may I come to the next claim that has been made.

In this debate, Mr. Speaker, on a number of occasions the claim has been made that the farmer should not be made to pay for feeding the people in Great Britain. We make heroes and great patriots of ourselves by standing up in this house and saying, "Oh yes, we are ready to feed Britain; we are prepared to give them all the food they want. But when you do that, let all the people of Canada pay for it."

Some hon. MEMBERS: Hear, hear.

Mr. GARDINER: We all say, "hear, hear." What is happening under this measure? I indicated a few moments ago that in the United States eighty per cent of the wheat they are buying and sending overseas at present is a gift to the people to whom they are sending it. I might also indicate that a great part of the wheat which is going from Canada is going to countries which cannot pay for it, and that wheat is being paid for out of money that has been lent by the government of Canada. Everyone in this house knows that a considerable part is never going to be paid back.

Mr. FULTON: That is news.

Mr. GARDINER: There is no news about it; everybody knows it. It has never been discussed from any other point of view.

Mr. FULTON: Oh, yes; it has.

Mr. GARDINER: A very considerable part of it will never be paid back. And to the extent to which it is not paid back, in so far as it relates to wheat, the money which was paid to the farmer for the wheat is a charge on all the people of Canada. That money goes to the farmer, and I think it ought to go to him. As we go along with this plan of marketing and make the payments which are provided for in the bill as it is now before the house, we shall be in a position to show in due course that the farmer will have obtained more money, on an average annually, than ever before through his payments based upon $2 for next year, the $1.55 he has obtained from Britain in the three years that have gone by, and based upon the wheat which has been sold outside of Britain at higher prices running up as high as $3.40 a bushel, and out of a negotiated price from Britain in 1949. Out of all these the farmer will have obtained more money for his wheat than he could have obtained under any other system. The reason why I repeat that over and over again, Mr. Speaker, is that we have tried every other system. We have applied it under conditions that were just as favourable as they have been in the last three or four years or as they are likely to be in the next two years, and under none of those systems have we been able to get an average running up toward $2 a bushel, basis No. 1 northern at Fort William. So I say that this system is bringing to the farmers higher returns, spread over a longer period, and in a manner which suits the area in which the wheat is grown better than any other system could suit it. For that reason I think we should get on with the job, vote this measure through, get the money paid out to these people who had no crop last year and make it possible for them to get their crop in as soon as the snow goes away in the western part of Canada.

There is one other thing about which I wish to say a few words, and it is in connection with this matter of coarse grains. I said something about the procedure in connection with it at the beginning. Hon. members know that the coarse grains, with the possible exception of some twenty per cent, are fed on the farms where they are grown. Part of the twenty per cent is marketed somewhere else. In the years when we have a big crop, more of it goes outside Canada than in the years when we have a poor crop. This is one of our poor-crop years. We have little if any coarse grains to go out. There has been considerable criticism with regard to what has happened since October 21 last, but hon. members are not guessing so much now at what is going to happen in connection with the grain that was delivered before October 21 last. Three of the line companies are

already paying out in connection with that grain. The pools have already announced their intention of doing so. And they all understand that the government is prepared to give consideration to additional payments which may require to be made in connection with the marketing of these grains. In other words, the same principle is being applied to the handling of these grains as has been applied in connection with every change that has been made in the controls since the beginning of the putting on of controls. We did not ask the farmer who delivered grain between August 1, 1946 and March 17, 1947, to carry the load. Arrangements were made to have these differences in payment met, and they were met. The farmer had a right to expect that some adjustments would be made when these grains were delivered. That is being arranged; and I am quite certain that when the arrangements are completed we will hear no more about it than we heard about some of the other problems that were discussed and later forgotten.

Then there is another phase of the question which has to be considered; that is the matter of enabling legislation. This afternoon hon. members of the C.C.F. group declared we should have asked the provincial governments whether or not they would supplement our legislation. I might just as well say that after we had said, some months ago, that we would have to wait until the session opened before we could determine what legislation could be brought down, the provincial governments should have approached us and said they were prepared to pass enabling legislation. I have not said that, and I am not going to say it. These provincial houses are in session now, all three of them. Immediately we pass our legislation they can indicate their intentions, and can quite easily put those intentions into effect by passing enabling legislation, if they desire to do so, and clear away any doubts there may be in our minds or in their minds as to whether the legislation can operate successfully from their point of view.

Mr. WRIGHT: Will it not be necessary to have some consultation to determine just what should be the enabling legislation? Has this government been in consultation with the justice departments of the provincial governments to determine that matter?

Mr. GARDINER: I believe the question can be discussed to much better advantage when the legislation before us is passed and before them. Then my hon. friend will see that the legislation gives the government of Canada absolute authority, to the extent that we possess authority, to deal with the question. There is nothing in which consultation could assist. The legislation proposed gives the government authority to deal with the question, and as soon as that authority is confirmed by law the provinces can put through legislation supplementing it and adding any authority they have to give in order that it may be carried out. I presume they may want to come and talk to us about it, but the legislation will be there and will speak for itself.

Mr. WRIGHT: I asked if that were decided some years ago, and you stated you did not think it was.

Mr. GARDINER: No, that is not what I stated. I am not a constitutional lawyer or any other kind of lawyer, but I said that in my opinion this government could not do this thing by itself. I still hold that point of view, as I think many others who have been discussing the matter have come to that point of view. There is one question still in doubt in the minds of those who are considering this matter. That is the question as to whether or not the operation could be successfully carried on unless you had legislation not only in the provinces where the grain originates but also in the provinces to which you are going to send the grain. There are people who contend that grain put on a car to be shipped internationally or interprovincially, as we ship our wheat, is still the property of the person shipping it, and it can be moved over our railways to wherever it is going. But another question develops when you unload it from the car and sell it to somebody in Ontario. It is no longer the property of anyone in western Canada. It is no longer the property of the pool. It has become the property of someone who is going to distribute feed grain in eastern Canada. So a constitutional question is involved there, and I doubt very much if the farmer of western Canada would agree to have this government buy his grain under a ceiling price and ship it to eastern Canada, only to find that no one had provided controls there which required the grain to be sold under a ceiling price.

This matter is not so simple as some may think. If we are going to get this legislation in operation in time to deal with the crop now coming up, or even to deal with the next crop, we may have to rely upon many discussions which will take place when we have the legislation before us. But there is no point in going to a government and starting to talk about the possibilities under the act when we have not on our own statute books the legislation that empowers us to carry on the opera-

tion. Certainly if we did not get that before the provincial houses finish their sessions this year there would be no sense wasting our time in this house discussing the matter to any great extent. I would therefore suggest—

The ACTING SPEAKER (Mr. Golding): Order. The hon. gentleman's time has expired.

Mr. GARDINER: I am just finishing, Mr. Speaker. I would suggest that the quickest way to get on with this matter would be to put through the resolution and have the bill brought down so hon. members may have a look at it. Then any hon. gentleman who wants to vote down any of the proposals can do so in committee or elsewhere as the legislation goes through the house. It is not necessary to have a motion of this kind in order to give hon. gentlemen an opportunity to vote down any part of the legislation. That can be done in committee, as has always been possible.

Mr. MILLER: I did not interrupt the minister when he was speaking, but I wonder if he would permit a question now. This payment that is intended to be made is called an increase in the fixed minimum. Is there any difference in effect between that and an interim payment on participation certificates? Will the participation certificates have to be sent in?

Mr. GARDINER: Yes, the participation certificates will have to be sent in, but in effect there is really no difference between this and an interim payment.

Mr. MILLER: Then might I ask the minister whether he, like myself, has not changed his mind since last year, when he advocated tying their own hands so they could not make any interim payments on participation certificates until 1950? Has he not changed his mind?

Mr. GARDINER: No, I did not say that. The statement made last session was that we had not as yet sufficient information upon which to decide whether we could pay more than $1.35. I therefore opposed putting $1.55 in the bill. But I thought we considered that point; and I definitely made the statement that no government in Canada would ever be permitted to hold one or two hundred million dollars in the treasury and not pay it out to the farmers until 1950. The only thing I did not take care to see to last session, and no hon. member helped me do so, was to have an amendment put in which would enable us to make the payment when the money accumulated. We are asking that now.

Mr. JUTRAS: Mr. Speaker, I should like to deal with this resolution at some length, so I wonder if the house would consider calling it eleven o'clock.

On motion of Mr. Jutras the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. HOWE moved the adjournment of the house.

He said: On Monday the house will resume the debate on the address in reply to the speech from the throne. I am told the whips of the various parties have been consulted and it has been agreed that the desirable procedure would be to continue the debate on Monday and carry on with it until the debate is finished, so that the estimates may be brought down and thereafter we may take up these other measures without interruption and press them through to a conclusion.

Motion agreed to and the house adjourned at 10.50 p.m.

(*See page 1718.*)

APPENDIX

Estimated Average Price Per Bushel of Wheat Received by Farmers

	Canada (Year beginning Aug. 1) (cents per bu.)	United States (Year beginning July 1 (cents per bu.)		Canada (Year beginning Aug. 1) (cents per bu.)	United States (Year beginning July 1 (cents per bu.)
1931	38	39·0	1939	54	69·1
1932	35	38·2	1940	57	68·2
1933	49	74·4			
1934	61	84·8	1941	61	94·5
1935	61	83·2	1942	77	109·8
			1943	113	136·0
1936	94	102·5	1944	121	141·0
1937	102	96·2	1945	115*	150·0†
1938	59	56·2	1946	114*	191·0†

*Advance only. †Price.

Possible further payments in Canada: 1948, 20 cents; 1949, 20 cents; and 1950, final payment. This would place 1945 at $1.55 plus; 1946 at $1.54 plus.

HOUSE OF COMMONS

Monday, March 1, 1948

The house met at three o'clock.

OATS AND BARLEY

EXTENSION OF SUPPORT PRICES TO JULY 31, 1949

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Mr. Speaker, I wish to make a statement that will be of interest to the producers of oats and barley. During the current crop season support prices for both oats and barley are in effect and the government intends to extend these to July 31, 1949, at the same support levels prevailing this crop year. Oats will continue to be supported at levels based on 61½ cents for No. 1 feed oats, in store Fort William-Port Arthur, with other grades at appropriate differentials to be fixed from time to time by the wheat board. Barley will also be supported at 90 cents per bushel for No. 1 feed barley, in store Fort William-Port Arthur, with other grades at appropriate differentials to be fixed from time to time by the wheat board.

The purpose in making this announcement at this time is to enable producers of oats and barley to plan their operations for the coming crop year with the assurance that market prices will not decline below the support levels. As in the present crop year, the Canadian wheat board will be directed to implement this policy.

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): May I ask a question arising out of the announcement just made by the minister? Is it intended to make that order retroactive to August 1, 1947, so that farmers who disposed of their oats and barley between August 1, 1947, and October 21, 1947, will be compensated for the loss they suffered?

Mr. HOWE: I can advise my hon. friend that the same support prices that were in effect for the period he mentions are the support prices to be put into effect for next year. The same support prices covered all the crop year of 1947, and will cover the crop year 1948.

[*Later*]:

Mr. DIEFENBAKER: May I ask a supplementary question? What is the stand taken by the government in regard to providing compensation for farmers who sold oats and barley prior to October 21?

Mr. HOWE: It is my understanding that the firms who bought barley in that period are in process of refunding to the farmers the fortuitous profits that arose out of the lifting of the ceiling. When these payments have been completed the government intends to review the situation and take such action as the circumstances may warrant.

VETERANS AFFAIRS

REPORT OF INVESTIGATION INTO BRAEFOOT PROJECT

Hon. MILTON F. GREGG (Minister of Veterans Affairs): I promised to investigate and report on the Veterans Land Act Braefoot project in British Columbia.

A committee was appointed, comprising Mr. R. W. Wallace, a technical expert in housing values, who was suggested to us by Mr. J. L. E. Price, chairman of the Canadian Legion housing committee. Mr. Wallace was selected because of his knowledge of values set on similar projects throughout the dominion and because of his knowledge of construction standards elsewhere.

The other two members of the committee were selected because of their intimate knowledge of local conditions and prevailing values on Vancouver island. They were Mr. Fred N. Cabeldu, who operates an insurance agency, and Mr. Brooke Stephenson, a member of the firm of Kerr and Stephenson, real estate, mortgage and insurance. Both these two British Columbia gentlemen are veterans.

It was felt that an impartial valuation could be reached by employing a committee of this kind. As a result of their inspection, it was found that in the case of twenty houses a slightly higher valuation was set, whilst with respect to the remaining eight, it was their opinion that a reduction should be made. I can assure this house that the valuation by this committee was absolutely impartial and uninfluenced by my department.

Where higher values were set than the price placed upon the property I do not propose any increase, and where lower values have been set I propose to take the committee's advice and make a reduction accordingly.

With the consent of the house I propose to present the full report on this project, as well as progress reports on other similar projects across Canada, to the select committee of the house on veterans affairs as soon as it is set up.

HONG KONG

DUFF COMMISSION—QUESTION AS TO PUBLICATION OF CERTAIN TELEGRAMS

Right Hon. W. L. MACKENZIE KING (Prime Minister): The house will recall that the day I was requested to communicate with the British authorities about reconsidering their decision not to allow publication of certain telegrams in the Hong Kong matter, I sent a message immediately. I have since received a reply from the British authorities saying that they have reviewed their decision carefully but regret that they are unable to change the decision which they previously made.

HOUSE OF COMMONS

QUESTION OF CLOSING OF POST OFFICE ON SUNDAYS

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I have a special favour to ask of you. The rural postmasters were permitted last year to close the post offices on Sundays. I do not see why members of parliament should have preferential treatment, which is not shared by their electors. Therefore, sir, as the House of Commons post office is a division of the House of Commons service, will you please permit the postmaster to close his office on Sundays, as rural postmasters have been permitted to do?

EASTER RECESS

On the orders of the day:

Mr. J. A. ROSS (Souris): I should like to direct a question to the Prime Minister. As Good Friday falls on March 26, three weeks from next Friday, will the Prime Minister say whether there are any plans yet for the Easter recess of the House of Commons?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The intention of the government is to ask for an adjournment on the afternoon of Wednesday the 24th at six o'clock until the following Tuesday, the 30th. That will be a short recess.

QUESTIONS AFFECTING MEMBERS' TRANSPORTATION

Mr. G. A. CRUICKSHANK (Fraser Valley): In view of the announcement of the Prime Minister, shall we be allowed to fly home? I do not know how we can go to British Columbia in one week, and if we have not one week, why not allow us to fly home for three days? Will the western members be allowed to fly home?

Mr. MACKENZIE KING: I shall have to consult the experts before I give my hon. friend an answer.

Mr. CRUICKSHANK: May I suggest to the Prime Minister not to make it definite now but wait until he has consulted the experts. We like to go home just as well as the members from Quebec and Ontario.

Mr. A. L. SMITH (Calgary West): I wish to direct a question to the Minister of Transport. Will he give consideration to assisting us under these circumstances? The other day I came from Windsor to Ottawa and got on the train at Toronto with my wife. I know that by statute we are provided transportation; by courtesy, I gather, we can procure transportation for our families. When I got on the train, however, I found that my wife was not allowed to travel on that particular one. We rode in the colonist car in any event. We did not have any fancy transportation. It was plainly printed on the pass. It seems to me that if we are to have that courtesy it might extend to all railroads, so that if I get on one train they will not throw my wife off because I had not got on the right kind of train. Will the minister take that into consideration? It is something that should be remedied.

Hon. LIONEL CHEVRIER (Minister of Transport): I shall be glad to look into the situation.

COAL

SHORTAGE OF RAILWAY CARS FOR TRANSPORT FROM CAPE BRETON SOFT-COAL BELT

On the orders of the day:

Mr. GORDON B. ISNOR (Halifax): I wish to direct an inquiry to the Minister of Transport. Supplementary to my question of last week, which appears on page 1556 of *Hansard* of Tuesday, February 24, respecting shortage of railway cars to carry coal from the Cape Breton district, will the minister kindly advise as to how the matter now stands?

Hon. LIONEL CHEVRIER (Minister of Transport): With reference to the shortage of railway cars for the Cape Breton area, the position is somewhat improved. When the hon. gentleman asked the question the other day the position was that sixteen cars were available on February 21 last and twenty-three on February 20. For the week February 23-28 the average number of cars

shipped into the area was thirty-one, although the average number of cars required each day is seventy-five. Dosco has sent notices with each of the cars shipped to its consignees asking them to make sure that the cars be returned as promptly as possible. The railways have undertaken to move them into the area and to put on sufficient motive power for the purpose. All I can say is that the situation is improving.

FLAXSEED

PRICES FOR 1948 CROP YEAR

On the orders of the day:

Mr. P. E. WRIGHT (Melfort): I wish to direct a question to the Minister of Trade and Commerce. Can he give us some idea as to when we may expect an announcement in regard to the prices of flax for 1948?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): The price of flax for the 1948 crop year is being studied at the moment. The price will be set before seeding time this spring.

INDUSTRIAL DEFENCE BOARD

REFERENCE TO ARTICLE BY KENNETH R. WILSON IN "FINANCIAL POST"

On the orders of the day:

Mr. E. G. McCULLOUGH (Assiniboia): I wish to address to the Minister of Trade and Commerce a question of which I gave him notice. Has the minister's attention been drawn to the article by Kenneth R. Wilson in the *Financial Post* of February 28, "How our industry shares in defence"? Will the minister inform the house as to how the government will participate in this program?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): I would call the attention of my hon. friend to the fact that matters of defence are handled by the Minister of National Defence. I will ask the minister to take note of the question.

Hon. BROOKE CLAXTON (Minister of National Defence): The question was passed on to me since I came into the house, but I believe I can answer it sufficiently from the information I have. Some time ago it was announced that it was the intention of the government to set up an industrial defence board for the purpose of advising the government and the Minister of National Defence on matters relating to industrial organization. That board is being set up and I hope to make an announcement about it within a few weeks' time.

HOCKEY

VICTORY OF HUMBOLDT RED INDIANS OVER SASKATOON JUNIOR QUAKERS

On the orders of the day:

Mr. J. W. BURTON (Humboldt): May I direct a question to the Minister of Mines and Resources (Mr. Glen) and through him to the Minister of Agriculture and the member for Rosthern? Are they aware of the fact that on Saturday night our Humboldt Red Indians took the scalps off the Saskatoon Junior Quakers?

TOURIST INDUSTRY

REPORTS OF DOMINION-PROVINCIAL CONFERENCES, 1946 AND 1947

On the orders of the day:

Mr. DONALD M. FLEMING (Eglinton): May I ask the Minister of Trade and Commerce if he will table in the house the reports of the dominion-provincial conferences on tourist traffic, 1946 and 1947?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): I shall be glad to inquire about such reports, and if there are any I will table them.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Thursday, February 26, consideration of the motion of Mr. J. A. Dion for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Bracken, and the amendment to the amendment of Mr. Coldwell.

Mr. W. R. AYLESWORTH (Frontenac-Addington): Mr. Speaker, I rise to speak for two reasons: first, to ask for a better understanding between the farmer and the consumer, and second, to put the case of the farmer and livestock producer for a better deal in the matter of prices.

The consumer, for the most part, knows very little about the cost of food production. He also thinks that because he pays high prices for food the farmer must be getting rich from the sale of his products. The farmer is not getting much more now than he did in 1940, although the price of most foods has doubled. For instance, in 1940 a can of tomatoes sold for eight and a half cents, from which the grower received two cents per can. Tomatoes now sell at twenty-five cents per can but the grower receives only three and three-quarter cents per can. In other words, while the price of a can of

tomatoes has risen sixteen and a half cents per tin, the added return to the farmer is only one and three-quarter cents. The overworked farmer, with his long hours, has always given the Canadian people good value for their money, even though by the middle of the war most of the young men from the farms had gone into factories for higher pay and better hours and the farmer had to get more money to buy machines to replace the men and pay very much higher wages. The consumer must also realize that the farmer is suffering under the burden of high prices just as much as the city dweller. The prices of his feeds, his seeds, his fertilizer and all those things required to turn out food have gone away up, as well as the clothing and so forth which also he has to buy.

Canadians must be informed that it is not the farmer who is responsible for the increased cost of living; it is the spread between the producer and the consumer over which the farmer has no control that has helped to cause these high prices. Of course the farmer has to have more for his produce in order to meet the higher demands on his purse for that which he must buy, but, as a Canadian farmer, I can assure you, Mr. Speaker, that the farmer is not looking for more money than will give him a fair living and allow him to maintain his farm and provide for his old age. This is right, for nobody in this country earns his bread in a harder way than does the farmer.

There is a great deal of pressure on the government from certain groups for the return of price control on food. The farmer suffered from controls the most during the war, because food was the first thing on which controls were imposed. As it was his war contribution he did not complain, but he does not want to see the return of controls now. Following the war we had price control on farm products until very recently. The terms of British food contracts have kept the price of farm products below the world level, so controls are not the answer. In spite of controls, production in Canada is down. During the war the government oversold the value of controls. As soon as controls are applied in one place the pressure bursts out somewhere else. In peace you cannot pick out one control, such as price control, and try to enforce it without setting up controls on all things. After every war, prices are at a high level because of war waste, lessening of production in farm products and other things on account of the shortage of manpower, and because of the limited production of consumer goods during the war.

[Mr. Aylesworth.]

The end of the war brings forth demands for production as great as in war years, but the urge to increase production and stop spending is missing. The Minister of Finance has tried to control our spending by putting a twenty-five per cent tax on a lot of things, although he frankly admitted that the government does not need the money. They tax cars, but they forget that many workers must have cars to get to and from work, because of the housing shortage which forces them to live miles from their place of employment.

The minister warned industry against taking heavy profits while his government is rolling up a three-quarter billion dollar surplus. The government could very well now remove many of the hidden taxes that do so much to keep the cost of food high. For instance, there is the eight per cent sales tax on which the government collected $328 million last year. They could give income tax relief to the small-salaried man and the white collar worker. These people have no bargaining agents and are hit hard by high taxes. Increase the income tax exemptions to $2,500 for married men and $1,500 for single men. I hope the people of Canada realize that when the cost of an article is doubled the cost of their tax on that article is also doubled.

The farmer had a right to expect a fair price for his meat and cheese in the food contracts with Great Britain, but he finds that they are still much below the prices in the open world market, and he knows now that the only reason that any increase was given in the price, and perhaps the reason that only wheat was included in the agreements, was that in order to get wheat at a very low price Britain had to agree to take the meat and cheese at a higher figure. The prices provided in the new agreement are just high enough to force prices up on the home market, but in no case are they enough to repay the farmer for the rise in feed, labour and consumer goods costs. It only raised the cost of living for Canadians without giving any assistance to the farmer. During the war we supplied meat and cheese, along with wheat, for the United Kingdom agreements at a price very much below world prices, on the assurance of the Minister of Agriculture that for many years to come we would enjoy this privilege.

On February 28 last year the Minister of Agriculture (Mr. Gardiner) as reported at page 933 of *Hansard,* said:

> Naturally I raised the question which is in the mind of ranchers and others who are producing cattle across Canada. I asked how long were we likely to have a market in Great Britain of the same proportions as we have it

now. The reply I received was that there would be a general shortage for a considerable time. They did mention a term of years. I hesitate to mention a term of years to the committee tonight, because I do not know that it was given to me with the idea of mentioning it or making them responsible for any particular figure; for, just as some say, that I guess wrong sometimes, I suppose ministers and governments elsewhere may also guess wrong sometimes.

I say the minister did guess wrong, and we cannot hope to compete with the low cost countries of South America and Australia. The figures show that in 1947 the Argentine supplied 500,000,000 pounds of choice beef to the United Kingdom at half the price paid under our contract. Large quantities of Australian and New Zealand beef are now supplied at almost the same price as the Argentine received. We must do our share to feed the hungry of Great Britain and Europe, but we should not make the farmers suffer in order to do so. We have been doing our share; on a per capita basis we have supplied twice as much as the United States. We shall continue to do so, for we must not allow the support to come from another direction and have these countries turn to communism.

On one market day in Chicago, Great Britain bought more beef on that market at world prices than she normally buys from Canada in seven months. At page 937 of *Hansard* for February 28 of last year the Minister of Agriculture admitted that he and the government thought the natural market for Canadian cattle was the United States. During the war I was not against the embargo on our cattle going to the United States, because I felt the feeding of our troops, our own people and our allies came first. Now, however, I suggest to him that if we could again ship our cattle to the United States it would have the effect of driving down American prices and enabling Great Britain to purchase cattle there at a much better price. In this way it would not only help our farmers but would also help Great Britain. The minister said we could only ship our high grade cattle to the United States market, but we will have a large canned meat business with Europe for some time to come. I am sure that as President Truman considers meat rationing again, we could arrange very good terms of entry for our meat.

Then I suggest that we investigate the meat industry from the farmer to the consumer, to bring into the open what the producer, the packer and the retailer do and what they receive for their services. I believe it would open the eyes of consumers to learn just how much more the producer, that is the farmer, does for his money, and that the real spread comes between the retailer and the consumer in the form of a thirty per cent mark-up. Under controls set up by the government the retailer was allowed a mark-up of thirty per cent, which equals at least nine cents per pound on meat sold over the counter. That situation still prevails and will continue to prevail until they get back into competitive business, free from any government control. It is my belief that when government controls were set the spread allowed the retailer was too great, which has worked to the disadvantage of both the farmer and the consumer.

The house knows how much our hog production has dropped. It has gone from five million hogs in 1943 to less than two million today. Many times in the past I warned the house that this would happen unless the price of feed was controlled together with the price of hogs. I asked the house to arrange that western feed grains be made readily available to stock raisers in eastern Canada, so the farmer would not have to make a trip almost every day to get a couple of hundred pounds of feed. We were then trying to capture the British bacon market, and a good supply of feed was essential. The farmer could not maintain his hog production at the price he was receiving. He lost money, and with the margin of profit on all his products cut so fine he could not afford it. Production is down; the cost of living is up.

The complete answer to the problem of the high cost of living is production and more production of food. Only by keeping the markets fully supplied will the people of Canada be able to buy within their means. In order to keep up the production of food there must be a reward in it for the farmer. There is not now the urge that drove him throughout the war. The desire to do his share in the war effort cannot be carried over into peace. Now he rightly feels that he should receive some reward for his unfailing efforts under ceiling prices. It is only fair that he should now receive prices which will give him a good return on his investment of time and labour. He must be freed of all things that hamper his production. He cannot continue to produce when he knows that though the prices of everything he buys are going up, the government is considering putting back the ceiling on all those things he has to sell. Every effort should be made to take from his shoulders anything that will keep him from producing to the greatest extent possible.

Here I want to say something about the income tax on farmers and market gardeners. I think I can say, with every rural member of this house, that the greatest threat to increased production on the part of the farmers is the income tax. They know that if they increase their production and thus increase their income the government will step in and take away from them the surplus their increased efforts have gained for them. Because of this they are cutting down on their stock, and in some cases reducing their herds to less than one-half the usual number. They have seen their neighbours called before income tax officials who questioned their statements as to how much feed they fed their stock, how much their feed cost them, and so on. They have been questioned by men who are very good at figures but who have not the slightest idea how much feed it takes to raise stock. I say to hon. members that, more than anything else, it is the fear of income tax that keeps the farmer from increasing his production, and therefore this is partly the reason for our high cost of living.

To add to the misery of the farmer the Department of National Revenue, income tax division, is now on his trail with a complicated income tax form which is accompanied by an even more complicated booklet of instruction. I would recommend that all hon. members read an article by "I.N.S." in the Ottawa *Journal* of January 13, 1948, on the new income tax forms and booklets. It tells of an imagined conversation between a farmer and the Minister of National Revenue on the form and the booklet, and is based on questions and answers contained in the booklet. It shows that in order to complete the forms the farmer must keep a daily journal of all his transactions, and I am sure that to follow all the instructions each farmer would have to hire a clerk to make the preparations for filing the income tax return. I suggest that income tax forms for farmers be as simple as, or even more simple than, any income tax forms. Those who make their living from the soil are as honest as most Canadian men. They could be asked to compute how much they made during the year, how much they figured for the wear and tear on their farm during the year, and then pay their income tax, if any, from basic tables. When one considers that the average farm income for the United States is $779 per year and is probably lower in Canada, and a married man's exemption is greater than that, one will see that not many farmers will have to file income tax forms. But just in case they do, they have to keep records until the end of the year. In 1946, out of 652,928 farmers only 136,039 filed forms, and only 27,411 paid income tax. How much did it cost to prepare these new forms and new booklets? How much will it cost to collect the income tax due from those who have to pay? Will the department break even?

I should like also to say a few words on behalf of the market gardeners and vegetable growers. These people do not know just where they stand. If they could receive some assurance from the government as to the length of time the foreign exchange conservation measure will be enforced, they could plan their production so that they could keep the home markets supplied. They do not want to go to the expense of buying seeds, paying high labour costs and producing a good supply of vegetables, only to find that next fall, when their produce is ready for market, they will be faced with a market flooded with produce from the United States. As the house well knows, during the past years the market gardeners have not been producing fully because they could not compete with this flood of United States produce. To bring about an increase in the Canadian production of vegetables, let us make sure that Canadians will have the home market.

In closing, Mr. Speaker, I strongly urge the government to follow these suggestions which I have offered:

1. Give the farmer relief from income tax and simplify his method of payment.

2. Make available western feed grains in large quantities.

3. Open the United States market to Canadian cattle.

4. Increase production to bring down the high cost of living through giving the farmer something worthwhile for which to work.

5. Cut out the hidden taxes which do so much to increase the cost of living for everybody, and especially for the low income earner.

6. Promote a better understanding between the consumer and the producer.

In these ways only can we look in the future to a productive and prosperous Canada.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, the time has come when something must be done by the government to assist the beef feeders in Canada. My own opinion is that the government is treating this subject altogether too flippantly. Replies made by the Minister of Agriculture (Mr. Gardiner) within the last few days have been quite unbecoming from a man who in these times ought to be a statesman rather than a politician.

The minister gave the house some figures the other day; I shall not place them on *Hansard* again. Speaking on February 24 in reply to a question I had asked, he gave a number of figures which I believe deluded a large percentage of the members of the house into thinking that the beef producers were not in need of any more assistance. The minister gave his statement with a sort of smart aleck attitude, as though he had really "put something over," if I may use a common expression. What he did was simply to sidestep the whole issue. I would urge upon the minister, and even more particularly upon the recently appointed Minister of Trade and Commerce (Mr. Howe), who from now on will be concerned deeply about the supplies situation in Canada, that they give second and very careful thought to the situation confronting the beef producers in Canada.

May I place on record some figures to show just how serious is the position these producers occupy. We have a British agreement entered into on January 1, 1948 and to run until December 31, 1948, under which the British have agreed to accept 45,000,000 pounds of beef at $27.50 a hundred. That is a high price for beef—quite as much money as the British or any other people ought to pay for beef at this time, I should imagine. But what does that $27.50 the British are to pay for beef amount to when it is offered to the beef feeder in the Lethbridge federal constituency in southern Alberta, when he offers a first class red label steer? This is how it works out I am informed: when we allow for a loss in dressing, and for other losses, the $27.50 works back to $15.30 in the packer's cooler, which, we will say, is located at Edmonton. This, allowing for freight, killing costs and profit, works back to $15 to the feeder, which means fifteen cents a pound for red label beef, the highest class that can be produced.

It does not sound very attractive, does it? It does not seem to fit into the picture thrown on the screen the other day by the Minister of Agriculture. What does it mean to the beef feeder? The beef feeder must have at least seventeen cents a pound to come out even and to make something for all his trouble. The other day the minister posed as an authority—and of course everyone in Canada has a right to expect that he would be an authority on the subject. However one of the astounding things to me is that he so often falls short of what we have a right to expect of him.

May I quote what has been said by some of the men who are right on the firing line, who know what it is to produce beef and who understand the situation confronted by both the raisers and feeders of beef. I shall quote first what has been said by Mr. G. G. Ross, a rancher at Aden, Alberta, who at the present time is chairman of the Canadian council of beef producers. Mr. Ross has been giving this whole matter the most careful attention for a great number of years. His whole life has been spent in the beef business. He lives near the feeders; he knows their problems and knows what will happen to the price of beef if the feeders fail. Consequently he is a man who ought to be pretty careful in what he says and, from my personal knowledge of him I know he is most careful and that his words can be accepted with considerable respect by all people in Canada.

The Lethbridge *Herald* of February 20, 1948, quotes Mr. Ross as follows:

> By selling at fifteen cents he (the feeder) is going to take such a licking that next fall when we want to sell our cattle the feeders will not be in the market. They are not going to be stung twice . . . What that will do to the South Alberta cattle industry is plain to be seen.

That should be serious enough. Later in the same article he says this:

> If the ranchers and feeders are let down now by forcing them to accept the British floor price, then it is going to get a blow which will result in the production of less meat on Canadian farms and ranches for a long time. It is up to Ottawa.

Ottawa does not seem to realize its responsibility in connection with this situation. During this debate hon. members, such as the hon. member for Muskoka-Ontario (Mr. Macdonnell), have given us solemn warnings about inflation. Nearly everybody in Canada understands that the best way to meet inflation is to increase production. How are we going to meet the threat of inflation if we adopt reckless procedures in respect to our producers, if we not only discourage them but ruin them by a callous disregard of their problems and a complete lack of interest in whether or not those problems are solved?

Why is it that the feeder is in this particular difficulty? There are a number of reasons. In the first place the feeder generally has to buy the feeder stock, which he is going to carry through the winter, in the open market at sales nearby where he is going to feed the steers. At those sales buyers from the packing houses will be competing with the feeder. Packing houses are in the market because if they can buy a steer almost fat enough to butcher on the feeder market at the lower rate paid for feeders, they are able to get good beef at feeder prices. That is good business

for them, and it is also good business for the farmers and producers of beef who desire to sell their beef. No one can blame the packers for wanting to buy that beef, and no one can blame the farmer for desiring to sell it. They want to get all they can get.

I merely mention this situation to show members of the house the position in which the beef feeder finds himself through having to pay higher prices for his feeder steers before putting them in the feed lot. Unless he can sell for a correspondingly high price at the end of his season's operations he is going to face stark disaster. This is free enterprise, and no one will object to free enterprise as far as it goes. Where the difficulty comes is that the government permits free enterprise to be in full operation when it comes to putting feeder steers into the feed lots, but the government interferes and checks private enterprise and free enterprise at the other end of the line. That is where the difficulty lies. The government has put ceilings on but has neglected to take care of floors in the beef feeding industry.

The result of this whole situation is that in 1947-48 the feeders of steers paid between 13 and 15 cents a pound for their beef steers before putting them into the lots. This year costs of feeding are very high. I asked a question the other day concerning the increased costs of feeding, and the minister gave a flippant answer. It may have been technically accurate, because I do not know the figures he had in mind. He did not give them to us but he certainly gave the house and the country a picture which was far from accurate. I should like to quote some men who are in position to know because they are right there on the firing line.

I should like to refer to an article which appeared in the Lethbridge *Herald* of February 21, 1948, entitled, "Plan cattle sale at Pincher Creek." This article makes reference to the McIntyre Ranching Company, a well known company in my constituency in southern Alberta. It is feeding over 800 head at the Raymond sugar factory. I quote:

> J. H. Walker, Raymond representative of the company, states that feeding costs of three-year-old beef cattle have advanced at the following rate: 1942-43, 16 cents; 1943-44, 28 cents; 1944-45, 35 cents; 1945-46, 36 cents; 1947-48, so far 70 cents per day.

I leave it to hon. members to say whether the minister was quite fair when he gave the answer he did the other day; whether he was fair to the government, fair to the country, fair to himself and fair to those who are

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endeavouring to produce the food so sorely needed in this dominion. I quote further from the same article as follows:

> The recent sale at Nanton found prices lower and the market situation for cattle continues unsettled. Sales planned by Lethbridge Central Feeders were called off on account of the market situation.

Who is responsible for that market situation? There is only one group in the Dominion of Canada responsible for that situation and that is the group of gentlemen who sit in the cabinet benches in this house. The policies which they have followed during the last six or eight months have thrown panic into practically every branch of beef production, beef feeding and beef marketing. They have produced a problem and they now laugh at it as though it were a light matter.

I think before I leave this general aspect of the situation I shall quote to hon. members some figures which I received today from the bureau of statistics showing how prices have increased seriously the cost of feeding. The first set of figures shows the wholesale prices of stocker and feeder steers at Winnipeg and Calgary in September, October and November in 1946 and 1947:

	Winnipeg $ per cwt	Calgary $ per cwt
1946		
September	10.23	10.48
October	10.14	10.90
November	10.47	10.65
1947		
September	10.38	11.18
October	11.14	12.65
November	10.80	12.14

Those are the months when feeders usually buy the steers to put into their feed lots. The 1947 price at Winnipeg for September was $10.38, which is distinctly higher than the corresponding price the year before; October, $11.14, distinctly higher; November, $10.80, distinctly higher again. In Calgary the figures were as follows: September, 1947, $11.18 as compared with $10.48 the previous year; October, $12.65, almost two cents higher than the previous year; November $12.14, almost two cents higher; and yet the grand sweeping statement of the Minister of Agriculture the other day would indicate that there was no such increased cost in the feeding of beef this year.

Here are some more statistics. The average wages of male farm help were as follows—and this enters into the feeding: When a man is feeding 100 or 800 steers he is unable to do all the work himself; he has to employ help. If the cost of help is higher, then the cost of beef producing is higher. The average wages

of male farm help in Alberta and Manitoba as at January 15, 1947 and 1948 were: In Manitoba: with board, 1947, per day, $2.82; per month $55.40; 1948, $3.29 a day as compared with $2.82; per month $61.42, a distinct increase over the previous year. Without board, 1947, in Manitoba $3.77 a day, $82.29 a month. In 1948, $4.56 as compared with $3.77, and $93.02 as compared with $82.29. That is the Manitoba picture.

We now come to Alberta. With board, $3.09 a day and $3.41; per month $63.31 and $68.83. Without board, $4.02—

Mr. MITCHELL: What does the hon. member mean by $3.41 a month?

Mr. BLACKMORE: It is $3.41 a day. And without board $4.02 a day in 1947, and $89.67 a month. In 1948 it is $4.53 a day, and $101 a month. I wonder whether the Minister of Agriculture had not learned some of these things when he made his remarks.

We now come to service station prices of second grade gasoline, which also enters into the cost of producing beef, for nearly all feeders of beef, producing on any considerable scale, use trucks to haul the feed. These figures relate to Winnipeg and Calgary for September, October and November, 1946 and 1947:

	Winnipeg		Calgary	
	1946	1947	1946	1947
	Cts.	Cts.	Cts.	Cts.
	per gal.	per gal.	per gal.	per gal.
September	34·5	35·0	32·5	34·0
October	34·5	35·0	32·5	34·0
November	34·5	36·0	32·5	35·0

A man begins to realize how serious the gasoline question is when he sees the great trucks which haul beet pulp and other feeds on the roads to the feed lots in my constituency where they really produce beef. That is an area in which beef is produced on a large scale.

I shall now deal with the price of hay at Winnipeg and Edmonton, for the months of September, October and November, 1946 and 1947. They are as follows:

	Winnipeg		Edmonton	
	1946[1]	1947[2]	1946[3]	1947[3]
	$	$	$	$
	per ton	per ton	per ton	per ton
September ..	26.00	20.00	21.75	21.75
October	27.00	30.00	21.75	21.75
November ...	28.00	30.00	21.75	23.00

[1]Timothy, No. 2, baled, carlots, f.o.b. store.
[2]Timothy, No. 2, baled, carlots, f.o.b. track.
[3]Timothy, No. 1, baled, f.o.b. shipping point, Alberta.

Notice that the increases took place last fall just as soon as the men began to feed the beef.

I shall now put on the record a table indicating the prices of oats and barley. It is as follows:

	Oats[1]		Barley[2]	
	1946	1947	1946	1947
	Cts.	Cts.	Cts.	Cts.
	per bu.	per bu.	per bu.	per bu.
September	51·0	65·0	64·8	93·0
October	51·5	71·8	64·8	100·0
November	51·5	81·6	64·8	118·3

[1]No. 2 feed.
[2]No. 3 feed.

In the light of these facts how could the Minister of Agriculture find it in his heart or in his mind or in his conscience to deceive the house the way he has, and how can the government disregard the needs of the beef producers in western Canada when they ask for consideration?

There is a great deal of urgency in connection with this problem. We cannot leave this thing for three months to settle itself. In my constituency, where there are great numbers of beef being fed, it is now costing the feeder 70 cents a day to feed a steer, which will put two pounds of weight a day on it. It is costing that feeder 35 cents a pound to put on beef which he must sell at 15 cents a pound at present prices.

The people of the country will be interested to note—and I am going to put this on *Hansard,* a thing I rarely do—that there is only one minister of the crown in his place. The Minister of Agriculture, the Minister of Trade and Commerce and the Minister of Finance, the men who might do something in this situation, are all out, and some who were here when we started to talk about this matter have gone out. I do not know how you could possibly indicate a more callous disregard of the interests of the beef producers of the country.

Mr. BURTON: You have the Minister of Labour on the jump.

Mr. BLACKMORE: I particularly wanted the Minister of Agriculture in his place, because I wanted to talk to him a little bit.

Mr. LOW: He did not want to be talked to.

Mr. BURTON: We will get his scalp.

Mr. BLACKMORE: Suppose you were one of those beef producers and you had a hundred first-class steers in your feed lot and it was costing you 70 cents a day to feed each of those steers, $70 a day for the lot. After you bought the steers and began to feed them the government entered into the picture and took the controls off oats and barley and practically ruined your chances. The government did nothing to take care of the price

of hay. The government neglected practically every one of your costs, allowing them to go up at will, and then sat right on the lid and refused utterly to do anything to help you out of the difficulty into which their fallacious policy had forced you. That is the situation faced by these feeders, and here we Canadians are, whose welfare depends on beef, along with the other fine things Canada can produce! We have a responsibility to Britain across the water because of the contract to deliver beef, and yet we are supinely disregarding the factors which make for the production of beef. I sometimes wonder how it is with people in western Europe; if they ever get to know about the foolhardy way in which we do things, how they can resist going in with Russia. I do not know whether Russia does things right, but it is a sure thing that the governments in our country do not do things right.

There is no visible limit to the problem which these feeders face. At the present time there is a fall in prices largely because of the uncertainty induced by the removal of ceilings on beef, and then the implication on the part of government agencies that beef controls will be reimposed. But the government have neglected the whole matter so that no beef producer knows where he stands. About five days ago I asked when the government proposed to announce its policy with respect to the reimposition of controls, and I was promised that the government would consider the matter. Apparently they will consider it until some time in May when these men have been forced completely out of business. It seems to me the government should discharge a lot of the boys they have on the job and see if they cannot employ a few men who know something about their business.

Just to show you that what I am saying is based on facts and realities, may I quote again from George Ross's statement in the Lethbridge *Herald* of February 20, 1948. He tells of his experience with the packers, and indicates the position they are in—and let no one say glibly, "Well, it is private enterprise that is to blame". It is the government that is to blame. Look at this picture:

He was told—

This is Mr. Ross.

—by representatives of the meat packers that their coolers were full of the higher grades of beef which they had bought at prices too high for the meat board to take them for export.

Which means that the packing houses are filled with beef which cannot be exported to Britain under the present agreement without loss, while the feed lots of the beef

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feeders are filled with beef of too high a quality to be sold to Britain. The Canadian public will not buy it because it is too high in price, and the government refuses to let the beef go into the United States where the people there would buy it. If you can imagine a situation more nearly bordering on lunacy than that, you have a vivid imagination.

Now there is another aspect to this whole thing. First there is our responsibility to our own people of tomorrow to make sure that enough beef is produced for them, and second there is our responsibility to the countries of western Europe, Britain among them. Let us have a few figures to show how serious that responsibility is and what we have done in the past.

Our first beef agreement with Britain in recent times was from January 1, 1944, to December 31, 1945. The price which Britain paid was $22.75 for top grade and $21.75 for next grade, and they agreed to take 100 million pounds. During the term we shipped to them 348,500,000 pounds. Those were the days when we were producing beef as Canada can produce beef. We had a great number of our finest beef producers overseas, but we were doing fairly well with the old men and the cripples.

From January 1, 1946, to December 31, 1946, we had another agreement with Britain, this time at $22.75 and $21.75. Britain agreed to take 60,000,000 pounds that year and we shipped them roughly 120 million pounds. We had not entirely ceased to produce beef on a free and buoyant basis, and the people still had some confidence in the government's management of beef. Canadians were eating a bit more, but we were getting home a number of men who could produce beef. There was no sufficient reason why we should not have been able to supply all the demands of our own consumers and still ship as much as we did in 1944-45.

From January 1, 1947, to December 31, 1947, we had another agreement. In this agreement the British agreed to pay $24.25 and $23.25. They agreed to take 120 million pounds, and Canada supplied them roughly 36,500,000 pounds. Canadians were eating more. But let us remember once more that there were home now the strong and vigorous boys who had been overseas, and others were back from the munition factories. So there was no good reason why they should not have been producing beef. Why were they not? Simply because government policy was not such as to encourage them or give them confidence.

I suppose the Minister of Agriculture will get up and give a talk about how we did not have coarse grains, or something of the sort. Perhaps that entered into it, but it is a strange thing that the coarse grain problem began to trouble us after the war!

From January 1, 1948, we have another agreement up to December 31 of this year, in which the British are to take 45,000,000 pounds. Unless we do something to manage wisely our production in Canada we shall fall far short of supplying even that number of million pounds.

When the Minister of Agriculture was travelling through the west he told the farmers constantly that he could not afford to let beef go to the United States because he needed it for Britain. It does not look as though he is much concerned about Britain for the next year.

In a general way, what is the importance of this little area I represent in this house and for which I have the honour to speak here? It is the Lethbridge federal riding. In that federal riding there are situated two sugar factories. There are 100,000 acres of land for which irrigation is supplied so that the farmers can produce a great quantity of hay as well as a great quantity of beets. There is an enormous amount of feed coming out of the beet sugar factories, and a great deal of feed comes as a result of the canning activities that are taking place in three or four canning factories in operation in that area. It is an excellent area for producing beef, one of the choicest in Canada. All around that fine area, where water is available for the land, there are hills on which ranchers raise beef in abundance and where they can raise it in even greater abundance.

Now they have 40,000 beef in the feed lots this year. And 40,000 beef steers are a lot of steers! But this is the kind of thing that is disregarded by the federal government in my area, not to mention other areas in the country.

What is the remedy? I have hesitated to condemn the policy of the Minister of Agriculture, or whoever sets his policy for him, poor man. I had hesitated to condemn that policy because I was not entirely sure that I had at my disposal all the factors that entered into the situation; but today, I am afraid, I must join those who completely condemn him in respect of his policy. We find, from the evidence that I have today adduced, that the British people cannot buy our high class beef, our red label and blue label brands, because they cannot pay the price which our feeders must have in order to produce this year those brands of beef. We have found also that the Canadian people seem to be unwilling to buy the beef because it is too high in price for them. If we continue today to refuse to allow our producers of beef to sell their product across the line in the United States it simply means that we shall force into bankruptcy, perhaps permanently, but at least for a period of years, a fine lot of producers of beef, both stock raisers and feeders, who would be in a position to produce at least 40,000 beef a year for many years to come. It means we shall force these feeders into bankruptcy, force them out of business, when by just a slight modification of our policy we could avoid all that. What the beef feeders want is that they be permitted to sell their beef across the line. I do not go so far at the present time as to advocate that the embargo be lifted completely, thus raising the cost of beef to our Canadian consumers or interfering with our commitments to Britain; but I do suggest this as a solution which is worthy of serious consideration. Why not allow the beef feeders to sell their red label beef, as they come to fitness in the feed lots, across the line in the United States, thereby removing the danger of driving the feeder into bankruptcy? Why not, in a frank and straightforward manner, approach the packers and say to them: "Show us your inventories. Show us the amount of beef you have on hand which you cannot afford to sell under the British agreement or to the Canadian consumer at present prices, and we will agree to allow you to send that beef across the line into the United States market?" In this way we can gain a great many dollars and we can remove the pressure on the beef feeders which is now simply unbearable and which if it is allowed to continue will result in complete disaster.

Mr. J. W. BURTON (Humboldt): This is the first opportunity, Mr. Speaker, that I have had to comment on the recent changes in the cabinet.

An hon. MEMBER: The ministers have all gone out.

Mr. BURTON: First I wish to express my personal regrets that the former genial Minister of Trade and Commerce (Mr. MacKinnon) is no longer at that post. We all realize that the portfolio of fisheries which he is at present occupying is in all probability only a haven where he is riding out the storm before he goes to that place to which all good old-line politicians want to go. While we all miss him in the Department of Trade and Commerce, may I urge him to make use of

his opportunity in his new department to let the world know that in the cold waters of the northern part of the three prairie provinces we have an abundance of the finest fish. He can help, if he will only do so, to provide a steady and appreciative market for them.

To the new Minister of Trade and Commerce (Mr. Howe)—who, by the way, is also absent—may I say that in my humble opinion he is much more suited to the other department over which he presides than he is to the Department of Trade and Commerce. Frankly I have always admired that man's ability as a builder. He is a builder, not a trader. We all appreciate the tremendous job he did during the war, and we regret that his organizing ability and driving force are not to be confined solely to the task of reconstruction. Nevertheless I wish him well and urge him to see to it that so long as he presides over the Department of Trade and Commerce a fair amount of wheat shall be exported through the port of Churchill. For this year our minimum objective should be not less than 25,000,000 bushels. Furthermore every effort should be made to establish a shipping route between Churchill and the ports in the maritime provinces. Some day I hope to have the opportunity of taking a day—or a part of a day, I hasten to say before I frighten you, Mr. Speaker—to give you the full story of the Hudson Bay route, and prove to your satisfaction that the proper use of it will be of benefit to all parts of Canada.

The new Minister of Veterans Affairs (Mr. Gregg)—whom I congratulate on being present—has, I am sure, the good wishes of members on all sides of the house. May I urge upon the minister that if we could spend over $25,000 to train a young man for a job of destruction, surely we can give that young man and his comrades in all branches of the armed forces enough on which to live decently while they are preparing themselves for peaceful pursuits. In my opinion the minister should take immediate steps to give further assistance to single as well as married veteran students.

When we were summoned to the other place on December 5 to hear the speech from the throne I had hopes that the government would at last recognize the urgency of the situation and for once give to this country the leadership it so badly needs. But what a hope! I should have known from past experience that nothing can be expected from this government except partisan expediency. Just look at the record. Even the little that was done prior to the Christmas recess must be done all over again because the government refused to listen to the advice from us in this part of the house. Even before the Prime Minister's announcement this afternoon, rumours had been heard that the government was planning to have only a long week-end for the Easter recess. They will realize that this will mean that only the members from Ontario and Quebec will be able to spend Easter at home, whereas the rest of us who come from a great distance will be unable to go home and be back in time.

Mr. GIBSON (Comox-Alberni): Let us do something about it.

Mr. BURTON: We will.

Mr. GIBSON (Comox-Alberni): I am with you.

Mr. BURTON: We will put this government out and put in a good one in its place.

Mr. GIBSON (Comox-Alberni): That is a little bit drastic.

Mr. BURTON: On February 20 the Prime Minister informed the house that he was considering another recess in July and August.

Mr. KNIGHT: What is that for?

Mr. BURTON: Let me say this, Mr. Speaker. As far as I am concerned, the Prime Minister is welcome to his anniversary parties and to his Liberal conventions. No doubt his anniversaries come all too frequently, while his Liberal conventions are too few and far between. But he should not make it impossible for members who come from great distances to be with their families at Christmas or Easter, the two days of the year above all when every family man should be at home with his family. I join with the hon. member for Fraser Valley (Mr. Cruickshank) in the hope that all possible pressure will be put upon the Prime Minister and the government to have these points taken into consideration. And at this time may I offer the suggestion that in future we assemble early in November, complete the debate on the address in reply to the speech from the throne and initiate as much legislation as possible before the holiday season. That would give us a chance to dispose of the budget before the end of the fiscal year, thereby avoiding the necessity of voting interim supply, and in most years we would be able to prorogue by mid-spring. In all seriousness I urge this suggestion upon the government, not merely for due consideration but for favourable consideration.

Had this debate been dealt with in the proper way in all probability I would not

have taken part in it; but since so little has been done on behalf of the people I have the honour to represent I must protest, otherwise the government might come to the conclusion that my people were satisfied. The people of my constituency came from almost every state of the union to the south, from almost every country in continental Europe, from the British isles, and from almost every province in this dominion. We, or our fathers before us, carved our homes out of the wilderness. We have lived there in peace and harmony as good neighbours, and with very few exceptions my people would not want to live anywhere else. To all of us Canada is tops. We all know that at present we are, so to speak, sitting on top of the world. But the majority of the people in my constituency feel that this is because of the efforts of the people of this country, and in spite of the lack of vision on the part of this government. In their opinion this government has failed; therefore I have no hesitation in supporting the want of confidence motion contained in the amendment moved by my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell) on December 9, in these words:

> That this house regrets that Your Excellency's advisers have failed to use the powers provided by parliament to control prices, and by their actions have caused alarming increases in the cost of living and a dangerous lowering of the living standards of the Canadian people.

The people of my constituency believe that if we could plan for war and destruction, surely we can also plan for peace and construction. I would list their main complaints as follows: first, the government's ill-advised policy of decontrol, which has caused the cost of living of every person to go up, as well as the farmer's cost of production; second, removal of the subsidies on feed grains and other commodities. By the way, Mr. Speaker, the Minister of Agriculture (Mr. Gardiner) and the hon. member for Rosthern (Mr. Tucker) failed to accept the invitation I extended to them to come to Humboldt during the Christmas recess and explain the policy of the government in this respect. I did hear that the minister went to Lethbridge, however, to meet the cattle raisers. From the speech of the hon. member for Lethbridge (Mr. Blackmore) this afternoon I gathered that the minister did not learn very much there, and I suggest that in all probability they should not have had the sign I was told they had at their meeting place: "All stockmen check their guns here before going in."

On behalf of the people I represent I call upon the government, and particularly on these two hon. gentlemen, to quit their play-acting and put all coarse grains marketed in the prairie provinces under the control of the wheat board, also to come to a settlement with the farmers who delivered their oats and barley in the early part of the present crop year. While as yet I have not had an opportunity of studying the announcement made this afternoon by the Minister of Trade and Commerce, I am satisfied from the little I could hear of it that the plan will be far from satisfactory. Furthermore, regardless of the announcement, having in mind the suggestion made by the Minister of Agriculture on different occasions that the elevator companies should make this adjustment, I say that would be most unfair to both the farmers and the elevator companies concerned. Those who had delivered their feed in regular volume would be penalized, while those who aggravated the shortage of feed by withholding delivery could make good fellows of themselves under this plan. This muddle was caused by the government's ill-advised policy, and the government should clear it up. They have the power, if only they will use it, to deal with those who made undue profits.

We in the C.C.F. group during the past several years have endeavoured to bring home to the Minister of Agriculture the urgent need of a sensible, stable livestock program. Here I should like to quote from a letter I received from one of my constituents, and it is only one of many. He says:

> Now the farmers will not raise as many pigs and cattle as they did before. I for one will not raise any more than for my own use, and the big majority of farmers that I meet say the same thing. I know a man that used to raise as much as two hundred hogs, and today he has not one pig on the place. Then there are others that used to have ten and eleven milk cows, and now they have only one or two. So you can see that the Liberals are going to ruin the country if they stay in power much longer.

The third complaint of my constituents is that they do not like the government's excessive taxation policy, especially the unconstitutional imposition of the excise tax; nor do they approve of the "turnip nibbling" austerity program of the Minister of Finance.

Their fourth complaint is that they do not like the new income tax forms. For several years we were promised a sensible simplified form for farmers. Look at what we get now. When I first saw that form from a distance and noticed the dark edge I thought it was black. It reminded me of when I was a youngster, when operations for appendicitis were just beginning to be performed. They were something to be dreaded, and we saw many obituary notices which read something like this: "John Doe was stricken with appendicitis. The operation was successful but the patient died." In that connection I should like to quote from another letter I received

from one of my constituents, where he said, "I'll bet the man who drafted these forms never made his living on a farm". I could quote from a number of other letters, but I am afraid the language used in most of them would be unparliamentary.

Then, fifth, the people of my constituency do not like this government's immigration policy. What burns them up most is that in spite of official and semi-official announcements which pretend to give priority to people's relatives, the relatives of good citizens of this country wanting to come to Canada, the officials of this department seem to be able to find ways and means of preventing them from coming here. They are preventing these people who have made good in the past from helping their destitute relatives in the old countries, who wish to come here to start life anew.

This is the first day of March. We have made very little progress since the speech from the throne was read on December 5. Any one of the legislatures of the three prairie provinces would have done twice as much in half the time. The Saskatchewan house opened on February 5. They had debated and disposed of the speech from the throne by February 20, besides advancing a great deal of other business in preparation for committee work. You will realize of course, Mr. Speaker, that most of its members are farmers and, as you know, we farmers pride ourselves on cutting a straight furrow. And in addition to that, once having put our hands to the plow, we know from experience that the only way to finish a field is to stick to the job and to do it in a systematic fashion.

I still recall the ridicule of our opponents when they asked the people to stop and to think before allowing a group of farmers, preachers and teachers to carry on their business for them in Regina. Well, I still have circulars in my files from the bond dealers quoting prices of 80 to 85 cents on the dollar, and in some cases even less than that, for Saskatchewan government bonds in 1943. Those same bonds are now changing hands from time to time at prices from twelve to fifteen cents above par.

One of the first measures to be put on the statute books by the present provincial government in Saskatchewan was an act to give security to the farmers on their farms. We of the C.C.F. have constantly adhered to the policy we adopted in the very beginning of our organization, namely that if the family farm is to survive, then the farmer must have security of tenure on that farm. But as property rights come under provincial jurisdiction the details of the method of doing that were of necessity left to the respective provinces.

Prior to the organization of the C.C.F. in the early thirties over 12,000,000 acres of the best land in Saskatchewan were under the control of the mortgage companies. In many instances a farmer was only a tenant on land which used to belong to him; he was a tenant under the most vicious form of absentee ownership. Farmers in their own conventions decided to advocate a system of use-lease titles whereby the provincial government only at the request of the farmer was to obtain an adjustment on the debt, pay off the balance of the mortgage and then obtain title. In turn it would issue a use-lease to the farmer and his heirs.

The farmer-labour group in their first provincial gathering adopted that idea. Later, at our first convention, this was changed to a use-hold title which would have given the holder all the rights and privileges of a Torrens title, except the right to mortgage. This became the most controversial issue of the provincial election of 1934; and our opponents were successful in leading the majority of farmers to love their mortgages to such an extent that they hated to give them up. At our next annual convention, attended by delegates from all parts of the province, we reaffirmed our belief in the fundamental principle of security of tenure to the farmer on his own farm, but decided by an almost unanimous vote to change the details as to how that was to be done. Then a policy was worked out with respect to a crop failure clause to be incorporated in all mortgages and agreements of sale of farm lands.

As I said before, the placing of this provision on the statute books of the province was one of the first acts of the present provincial administration. But owing to the fact that some of these clauses have been challenged, I shall say nothing further about the matter except this: that if unfortunately we are prevented from giving protection in this manner, we shall not rest. Rather we shall continue our efforts to provide that security to the farmers, when they are faced with crop failures and low prices, both of which are beyond their control.

Let me repeat that we shall also continue to adhere to the fundamental principle of the farmer having security on his own farm. This brings me to a question which is often asked, and is even asked in this house on occasions. In the majority of cases I believe the question is asked honestly, although in others I have

my suspicions as to the motives behind the asking of it. The question, regardless of the motive, is this: Why does the C.C.F. advocate socialization of other people's property, but not that of our own farms? The answer to the question is this: that we do not advocate the socialization of any property, be it a farm or otherwise, unless it comes within the category of a monopoly, or otherwise gives to an individual or to a small group of individuals, the opportunity to dominate and exploit their fellow men. There are of course other measures which provide for expropriation for the common good. The ownership of a farm by the individual farmer does not give that power of domination and exploitation; but when our grains and livestock enter the channels of domestic and export markets they are very often then manipulated in a fashion contrary to the well-being of the community at large. For that reason we support the co-operatives on the one hand and government agencies such as the wheat board on the other, and are constantly urging the extension of these and other socially owned undertakings.

Our government in Saskatchewan has made a good start along these lines. In a number of instances they are operating industries about which the so-called free enterprisers never concerned themselves. In addition they have set up a department of co-operatives to assist in the development of co-operative enterprises. They have given special aid to the organization and operation of a horse meat packing plant, a flax crushing plant, and have given special consideration to a group of veterans who have begun operations on a co-operative farm.

In addition, they have set up sixteen crown corporations which are engaged in the industrial development of the province. These consist of a woollen mill, a shoe factory, a modern tannery, a brick plant and other clay mining for the production of pottery; a sodium sulphate plant, a timber marketing board and a box factory; a fish marketing board and filleting plants; a fur marketing service, and a bus service which is being extended to all parts of the province as rapidly as new vehicles can be obtained. I may say that arrangements have been made so that long distance interprovincial bus services can be carried on by the firms that have given good service in the past.

The government established an air service for the northern areas and have three other planes that are used in the air ambulance service whereby emergency cases are taken to hospital for a nominal fee of $25. This has proven to be of great value in areas far from other means of transportation. The power commission which the previous administration always operated in the red has expanded its services, reduced the rates three times and for the past two years or more has returned a substantial net surplus. The government telephone system, while showing a surplus under the previous administration, also extended its services and increased its net surplus.

The government insurance office has done better than the most optimistic of our supporters ever expected. In connection with automobile accident insurance the car owner as well as the pedestrian has protection that cannot be equalled elsewhere, at a fee which is much less than the ordinary protection cost. The government is co-operating with private interests in the exploration and development of our oil, gas and salt resources. While a number of the government-operated ventures are still in their trial period, and others are handicapped by being unable to secure sufficient equipment, the fact is that during the last fiscal year they brought in a net return of over $2,250,000. For the first nine months of the present fiscal year they boosted the net returns to over $2,600,000. In the meantime more private corporations and companies were registered than in any previous year.

Great progress has been made in extending social services, of which the provincial-wide hospitalization plan tops the list. The next is the free medical service provided for all old age pensioners, blind pensioners and those on mother's allowance, et cetera. Free cancer treatment is provided, and the province has assumed full responsibility for the care and treatment of the mentally ill. Tuberculosis patients were previously taken care of by the anti-tuberculosis league. The government has increased the assistance given to this noble work.

In the educational field the government has increased grants, provided free textbooks and to a greater extent than ever before is endeavouring to provide equal educational opportunity and the spreading of costs. The larger unit of administration act was placed on the statute books by the previous administration, but it was done in such a way that not even its most ardent supporters felt safe in making use of it. The present government amended the act and now over two-thirds of the schools of the province are operated under the larger units of administration. Aid to agriculture has been increased and the highlights of this are the establishment of feed

banks, the extension of services rendered by agricultural representatives, and the encouragement of veterinary services for livestock.

During the first two years most of the highway department's appropriation had to be spent on the maintaining and reconstruction of highways which had been allowed to deteriorate under the previous administration. During the past two years they have embarked on the largest program of up-to-date highway construction ever undertaken in the province out of current revenue.

I should like to impress upon the federal government the urgency and necessity of undertaking the construction of an all-weather paved highway from coast to coast. This not only would be an asset to the nation but in my opinion could properly be listed as a defence project. Had the governments of the past in times of wide unemployment undertaken the construction of a paved Trans-Canada highway, besides giving useful employment we would have had the use of the highway throughout those years. The need for the highway is there. Even when it is possible to motor under the best of circumstances in certain times of the year we still cannot go to the western provinces by an all-Canada route. This is something that we should have. The highway could be constructed so cheaply in the three prairie provinces you could well afford to have both a north and south branch.

In addition the federal government could give assistance in the construction of all-weather highways running north and south in the province. We hear a great deal from time to time about the desirability of providing accommodation for United States tourists. I think it is also the responsibility of the federal government to assist provincial governments in building some of these main arterial highways.

Although our government in Saskatchewan is supported mainly by farmers it has placed on the statute books some of the best labour legislation in existence. In addition our government practises what it preaches by encouraging the members of its civil service to bargain with them collectively through their union.

I appreciate having had the opportunity this afternoon to lay before the government some of the problems that confront the people of my constituency. I appreciate also having had the opportunity of placing before the house details of what ordinary common folk, farmers, preachers and teachers, have done about things which come under their jurisdiction in the government of Saskatchewan.

I ask every hon. member to realize that if we are to get through this period of reconstruction without undue hardship it is up to all of us to bend our efforts to such an extent that never again shall we have in this country exploitation by monopoly and at the same time poverty facing our people.

Mr. R. W. GLADSTONE (Wellington South): Mr. Speaker, in the debate on the address in reply to the speech from the throne the choice of subject is left wide open, and during this debate hon. members who have taken part therein have covered a great range of subjects. I propose to discuss some factors of human relationships in our national economy and to warn against the growth of communism in Canada. I intend to be explicit in certain things so that no one will have room to twist my words and give a wrong interpretation of my attitude toward any sector of the population.

I am a firm believer in trade unions and the right of collective bargaining, which communism destroys. I believe that through organization the position of labour has vastly improved in recent years. I believe in giving to every person a fair, but not an unfair, opportunity of improving his or her position through personal initiative. I recognize that public utilities constitute a field for government or municipal ownership, and that other public services are adaptable to co-operative ownership and operation. Otherwise I support private enterprise with safeguards against practices that unduly increase prices to the consumer. With this limitation I believe that Canadian business and industry should be organized, financed, developed and managed by Canadians, individually or in groups.

Agriculture is our No. 1 basic industry, and I regard profitable farming as an indispensable requirement for full employment in our urban centres and for industrial prosperity. I favour generous assistance, as I am sure all hon. members do, to veterans and their dependents and to all who, through incapacity or age, cannot earn for themselves. One additional assistance is imperative in my opinion, namely, provision for medical and hospital treatment.

I oppose government control by special interest groups. I believe parliament should be representative of all vocations. Our population divides itself largely into two main groups: one, those who work close to nature in developing and preparing resources of the farm, the forest, the sea and the mines from which come food, clothing and shelter for all; two, those who work these products further through stages of processing and distribution by means of labour, professional and clerical services, education, science, invention and manufacture. It is

largely between the first and last of this second group, labour and manufacturing, that our antagonism arises, and where sometimes inequality of opportunity exists under the terms of the laws set down by parliament. I wish to deal with these two groups, industry and labour, associating therewith considerations of the theoretical versus the practical in our national economy.

First of all, I will consider industry. In my opinion it is grossly unfair to stigmatize industrialists as profiteers because some may have taken advantage of circumstances to amass fortunes. We ought to strengthen our legislation against the greedy and unscrupulous. Studies should be made to further preventive measures such as may be possible through dominion-provincial co-operation to deal with combines, mergers and the regulation of powers granted under the Companies Act.

The burden of debt places a limit on the undertakings of governments and municipalities. Home owners are ambitious to see their homes free of debt. War added enormously to the debt of Canada. Like home owners, our government should strive to reduce debt to some extent each year, especially during prosperous years. The main source of funds for the reduction of debt must come from profits earned. If we destroy the opportunity of business to earn profits where will be the opportunity to reduce our debt? It is imperative that industry should contribute generously toward the reduction of our national debt after providing a reasonable return on the money invested. But, first of all, in any industry there should be ample provision for plant modernization and for reserves of working capital whereby industry can carry on through any period of recession, in the interests of highest employment and a minimum lay-off of employees.

Changes in industry through research and invention may see one product replaced by a new product in a very short time. These and other hazards are a constant menace to the continued production of many lines. Speaking of hazards, let us take as an example the former silk manufacturer. He finds today that his product has been replaced largely through plastics, nylons, mercerized cottons and so forth. The same is true of aluminum. This product is finding new competition in magnesium, which is twenty-five per cent lighter and seventy-five per cent stronger than steel. The iceman no longer cuts ice on the rivers and lakes since refrigeration was developed. Take the hazards that the telephone and telegraph companies have in sleet storms which are so common in this country, requiring the expenditure of tens of thousands of dollars to replace poles and wires.

No industry can survive without machinery as modern as that of its competitors either at home or abroad. Costly laboratories are a necessity of the major industries. New products are developed through research by skilled engineers and scientists. Provision for the continuance of an industry is a justifiable charge against profits earned, and it is vital to continued employment. Expenditures for research would not be available either in time or in amount if approval rested with the government at Ottawa. Disregarding costs, in wartime great organizations of experts can be employed by a government, but not in peacetime.

Let me turn, Mr. Speaker, to some of the considerations that are involved in the successful operation of industries. Mention has been made of some steps taken toward the socialization of industry by the C.C.F. government of Saskatchewan. I would remind you that this experiment commenced during a period of prosperity when goods were in short supply. There is nothing creative in taking over an established industry. I am told that the losses of some industries are pooled with the profits of others so that all may be kept going. Management in industry has to reckon with possible losses as well as with profits. The thing that matters is the progressive development of the industry and its continuance during bad years as well as during good years.

It will be realized that I am a supporter of the right of every person to improve his or her opportunities through the exercise of initiative and by hard work. Let me give an example of the benefaction that came from the inventiveness of one man. That man worked at an idea after his day's work was done and he developed an engine of simple design that could be made cheaply. That man was Henry Ford. The Ford may have been a Tin Lizzie, but it brought the pleasures and health stimulation of nature's farms, forests and lakes to millions of city dwellers.

Henry Ford had a heart for his employees. Nearly thirty years ago, when wages were low, he established a minimum of $5 a day for even the humble sweepers in his plant. The Henry Ford attitude toward employees prevails in many industries today and should be encouraged.

The London chamber of commerce had a survey made of some nine industries in the

city of London where the manufacture is carried on of such goods as plumbers' and steamfitters' supplies, threshing machines, hosiery, refrigerators, concrete machinery, doors, cranes, shoes, radios and home appliances. The survey showed total sales of $16,921,375 for those nine industries. Total costs of everything, except wages, salaries and taxes, including materials, outside services, light and power, freight, printing, advertising, insurance, interest and depreciation amounted to $9,529,055. Taxes, including sales tax, amounted to $1,951,052. The remainder was divided as follows: paid to workers, $4,612,834; paid to shareholders, $292,166; the remainder being reinvested in buildings, machinery, and working capital in the amount of $536,268. The division of the sales dollar was 56¼ cents for materials; 11½ cents for taxes; 27¼ cents for workers; 1¾ cents to the shareholders; 3¼ cents for new buildings, machinery, inventory, working capital and reserves.

Out of the $5,441,268 that remained after deduction of total cost of materials, et cetera, the workers received 85 per cent, and the shareholders, 15 per cent.

One cannot over-emphasize the importance of an industry being strong to provide good working conditions, latest machinery for economic production, and to meet competition, and with ample financing to give freedom of development. This is all in the interests of employment and a high standard of living.

I will turn now from the management side of industry to the part of labour in processing the natural resources. I think it may be well to divide the consideration of the labour element into two parts relating to the past and the future.

Too much credit cannot be given the great masses of the people for their faithful contribution to the war effort, both on the farm and in the factory and elsewhere. The government set an example to the world in the methods they employed in keeping our economy well balanced. Some regulations hurt in places; but, all in all, our people responded cheerfully and made sacrifices where necessary to assist in winning the war.

When the war ended we set our sights toward the restoration of what might be regarded as a new normal. Calculations had been much upset through conditions in Europe and elsewhere which were beyond our control. The import and export trade has not been as anticipated, and we have experienced difficulty in finding dollars to meet our payments to the United States. The United Kingdom is no longer in a position to make payments to us which will offset our requirements for United States dollars.

[Mr. Gladstone.]

Labour has been able to retain and increase the scale of wages paid during the war, but these higher wages have been offset by rising prices of most of the necessities of life. The downward trend of commodity prices in the United States gives hope that the peak in prices may have been reached. There is a great backlog of construction need in Canada which we hope can and will be called upon for continued employment at our present higher scale of wages for the maintenance of our high standard of living in Canada.

The situation has compelled the government to take emergency measures to eliminate our purchases from the United States. We dislike these reductions pertaining to fruits and vegetables which are a more considerable item requiring United States dollars than we may have realized. For instance, according to the Montreal *Standard*, in normal times sixty-five carloads of oranges and twenty-five carloads of grapefruit come into Montreal every week. Since November last when quotas were established that quantity has been cut in half.

We become ashamed of our complaining when we recall that for six years or more the people of Britain seldom saw an orange or a grapefruit. Advantage of scarcity was being taken in some places and so control prices of citrus fruits have been re-established. Inflated prices were being asked for cabbage, celery and the like, and measures were taken to correct this. The protest of the housewives was justified and timely.

I do not know whether or not it will be regarded as good politics, but I do not hesitate to give credit to members of parliament in the C.C.F. group for their efforts in parliament in many circumstances for the maintenance of our high standard of living, a sentence which should not be quoted apart from some things I might mention contra. Solvency of Canada must be maintained. I do think they advocate expenditure of money with little consideration as to where the money will come from. The C.C.F., in advocating government ownership, point to hydro and to various public utilities as examples of success in public ownership. In Guelph we own and operate our gas and waterworks, transportation system and hydro electric power and light distribution most satisfactorily through commissions named annually by the city of Guelph. The control is not in Ottawa; it lies with the electors who pay. Possibly there may be other spheres of public service to which public ownership might well be extended. As a Liberal I can

support and promote co-operation in localities where it would seem that the public interest will be served better than through private ownership. But always I would keep the control and direction near to the people who pay.

The C.C.F. would nationalize the banks. I disapprove. The people of Canada own the Bank of Canada and thereby exercise certain controls over the privately owned banks. There is no doubt our banks are well managed. It would be disastrous to place discretion as to size of loans in the hands of some government official.

Criticism of industry in Canada comes largely from the C.C.F. party. They give examples of excess profits in some industries and imply that the same may be true in industry generally. I again give members of that group credit for their earnestness and for their contribution toward improvement of social conditions in Canada. They have done well relatively to the things within their own experience, but in relation to industry I fear they frequently expound theories rather than observe practical considerations. The group, having regard to its becoming any considerable factor in government, has a doubtful future. It came into being in Saskatchewan largely through drought conditions and crop failure. Their membership today is generally from Saskatchewan, a few from British Columbia and Manitoba, with but one member in all of Canada east of the great lakes. It cannot be said that experience gives them practical knowledge of the operation of many of the component factors of our economy.

I should like to refer briefly to the picture of the situation in Europe commencing with the early part of this century. We had a prosperous Britain, highly industrialized, and the focal point for the distribution of goods from all corners of the world. We had a Germany that was strong and prosperous through science and invention; but the ambition of the Kaiser for world domination brought on the war of 1914, so disastrous in many respects to the allies and throwing upon Germany a burden of debt against which she struggled for many years. The result was that in desperation a radical party obtained control and, under the dictatorship of Hitler, a new effort through arms came about in 1939. We see the picture of distress today in Europe whereby our empire is in such desperate straits financial and, where the industries of Germany are destroyed and the country dismembered. There came a change in the political alignments in that country and the forcing upon small nations of ideologies that are not a part of democracy. There is surely a lesson there for us in the trend that things may take, where we may be led unwittingly and unsuspectingly from stage to stage into changes in our system of government. I think it is exceedingly desirable that we in Canada, through this period of prosperity, exercise every care and see to it that influences do not undermine the loyalty of many of our people to our democratic form of life. This will come about only through hard times, and I say respectfully to my C.C.F. friends that their chief hope of success in the future may be the result of hard times.

The high cost of living is a matter of concern for all of us in Canada today and means must be found to stop soaring prices and even to roll back prices to some extent. Sir Stafford Cripps, the socialist chancellor of the exchequer in the United Kingdom, has stated that prices cannot be controlled without wages being also controlled. Our hope in Canada is that present scales of wages may be continued while prices in certain places are reduced moderately. There has been demand for rolling back prices to the 1946 level. I would warn that farmers cannot be expected to produce butter at forty-four cents a pound. The ceiling of seventy-three cents may be too high, but it stands there as a barrier against prices soaring to ninety cents and $1 a pound, as in the United States.

Mr. Speaker, our friends in the C.C.F. party—and I am on most friendly terms with all of them—are at the crossroads of their existence as a group of any dimensions in parliament. If conditions deteriorate they may make some gains, but if times are good they are pretty much through. They are good members, so good that if their contribution has pretty much ended, as now constituted, I hope the electors may deal kindly with them by returning many of them to continue their crusading within the ranks of two-party government.

The danger time for Canada is before us. Labour organizers see more difficult times ahead for their unions. If the peak in wage scales has been reached the monthly dues from workers are bound to fall off. The organizers have recognized this danger and hope to meet it by swinging labour into politics as supporters of the C.C.F. This will not succeed, for the reason that very many workers own their own homes. My factory people in Wellington county are solid and sound in their thinking. They fear the extreme in any such movement. The other day I read of a worker who developed a great interest in the socialist party. It went well

until he sensed the idea of dividing property to give each person $2,000. Then he gave up socialism, explaining that he personally had saved $3,000. It may be said that some of the labour and communist vote went to the Liberal party in the last election. If this be true the communists have found they cannot get anywhere in the Liberal party. So, unbidden and, we will say, unwelcome, they have cast in their lot with the C.C.F. party. We always fear the danger of the tail wagging the dog. See what has happened in Europe. In many countries the communists have become the dog, and democratic government is being replaced by a Stalin dictatorship. I firmly believe the leader of the C.C.F. party, the hon. member for Rosetown-Biggar (Mr. Coldwell) would not have this, nor would many of his good supporters. Communism is a sneaking, intriguing movement that looks to the day of opportunity to overthrow modern socialists. Canadians should be on the alert. What our people want, beyond what they now have and in addition to some adjustments in the cost of living, is security in their old age and help with medical and hospital treatment so that the savings of years will not be lost when sickness comes. If this additional aid to our people can be assured, then within a reasonable time the danger of communism will be averted.

Mr. W. CHESTER S. McLURE (Queens): Mr. Speaker, may I say, first, that I am glad to see you in the chair so that you may take note of the members who are in the house at the present time. I rise on this occasion to take advantage of this opportunity to make a few remarks on behalf of my province, the Island, and particularly the dual constituency of Queens. Since this debate has continued under a new procedure, you will pardon me if I do not offer the complimentary remarks which are customary on this occasion.

I see before me, or I did a short time ago, new cabinet ministers and older ones in new cabinet positions, and it might be in order for me to say just a few words in this regard. Speaking of cabinet ministers, even at this late date—the opportunity did not come to me before—I want to say that in my opinion this parliament and this government sustained a great loss in the death of one member of the cabinet, Hon. Francis Bridges. He was a young man who, had he been spared to continue in charge of the Department of Fisheries, would have gone far in his work and, I believe, would have placed the fisheries of Canada on a sound basis. Since his demise, we have had two ministers of fisheries, and I understand we are promised a third at an early day. I had hoped that the present Minister of Veterans Affairs, the hon. member for York-Sunbury (Mr. Gregg), while Minister of Fisheries would have had an opportunity to show his wares and prove his worth to the Atlantic fishing region in particular. However, today we have as minister one who came to that position from the Department of Trade and Commerce, a position he held with distinction for a number of years. We hope that this inland Minister of Fisheries (Mr. MacKinnon) may breathe in the briny air of the Atlantic and the Pacific and bring to us and to the great fisheries industry what we believe it requires.

While I am on this change of ministers, parliamentary assistants and so on that has taken place within the last few months, perhaps I may be allowed to refer to something I spoke of in 1945. At that time I asked the Prime Minister (Mr. Mackenzie King) to fulfil at least one outstanding pre-election promise made to my province, namely, that Prince Edward Island would be represented in this cabinet. At that time I even went so far as to suggest that the senior member for the dual constituency of Queens might be promoted to the cabinet. However, we have not had representation for a number of years. I want to ask you, Mr. Speaker, whether in your judgment as Speaker of this house you do not think we as a province, according to the terms of union of 1873, are entitled to representation in the cabinet.

Mr. SPEAKER: Order. I must call the attention of the hon. member to the fact that the Speaker should not be questioned from the floor of the house.

Mr. McLURE: Then I withdraw that question and just ask that you give it your careful consideration. On different occasions I have endeavoured to speak in this house on matters concerning my province. When the Prime Minister had to search for cabinet ministers, thinking he did not have cabinet material in his own ranks; when he had to go abroad with coalition ideas, since Prince Edward Island was not represented in the cabinet I do think he might have extended to members from that province the opportunity to become part and parcel of the government by being included in the cabinet. However, they do not recognize our province. It always seems to me that there is either discrimination or forgetfulness; and the rights we had prior to 1873 are gradually being taken away from us.

Let me cite one instance. We always had a savings bank in our province. Then this was swallowed up by the Bank of Canada

and we had a branch of that bank in Charlottetown. We were pleased with that until, in the fall of 1947, our branch bank mysteriously disappeared. It was taken, as it were, by thieves in the night, and was gone from us. That branch was something which should have been retained for us.

It will be clear that this came as a surprise to the people of the province when I say that there was not one manager of a chartered bank, of the five great chartered banks in Charlottetown, who knew anything about the taking away or transfer of the branch of the Bank of Canada from that city.

We made representations to have it remain. Those representations were made to the Minister of Finance (Mr. Abbott). At that time, however, very few ministers were in Ottawa; I believe the Minister of Finance was somewhere in Europe—probably in gay Paree—and we did not get any satisfaction whatsoever. That branch of the Bank of Canada was taken from us. Under present circumstances, all the business which our chartered banks have to do with the Bank of Canada must be done through Saint John and Halifax. This procedure is not always in the best interests of banking or bankers in Prince Edward Island.

Similar treatment was meted out to us in connection with our postal service. Again Prince Edward Island has been ignored as a province, and in connection with this work we have been attached to one of the other provinces. I mention these matters because, if there is one thing near and dear to us in Prince Edward Island, certainly it is our rights as a province of the dominion. We were the cradle of confederation, and we resent these practices, small as they may seem to other provinces. We have our rights and we intend to try to hold them, no matter what odds we may come up against.

Having made these few observations respecting discrimination, let me say that we are now dealing with the speech from the throne. I was not in the house when it was read, but after having read it I have come to the conclusion that it was written in a great hurry for that short session. The purpose of the calling of the short session no one has yet been able to understand; unless it was, of course, that the house might be in session during the birthday festivities of the Prime Minister.

We of the maritime provinces, and particularly those of us from Prince Edward Island, had anticipated that the speech from the throne would contain something new and constructive for the maritime provinces. In order that we might be maintained in our proper sphere we had entertained the hope that some real suggestions on our behalf would be set forth in the speech from the throne. However, it contains nothing more than phraseology which does not mean very much, and certainly does not mean anything to the maritimes.

For a few moments I shall deal particularly with Prince Edward Island. My province is what might be described as an agricultural province, statistics showing that about sixty-five per cent of the people depend upon farming of different kinds. Next to agriculture come the fisheries. We have very few manufacturing plants. As I have said, farming is the great basic industry of our province, and we are proud of the agricultural activities in it, and of its productive soil. We are proud, too, of our industrious and productive farmers who operate the farms in our province. I say without fear of successful contradiction that they have no equal as farmers in any of the other provinces of this whole dominion.

As a province the enterprise of which is almost entirely agricultural, and as one with still greater possibilities ahead, we must look for certain things. We are able to provide the best of foodstuffs for exports, in addition to supplying all the requirements for our own population. Our butter, cheese, potatoes and furs, as well as sundry other products stand ace-high on the markets of the world. As an agricultural province, we must look for assistance along agricultural lines. To be most effective, we must have the best possible forms of transportation. Our transportation facilities must be up to date. We must have better facilities for the cold storage of farm products. We must have better connection with the mainland. Further, let me repeat that we must have proper freight rates for the shipments we have to make.

Speaking of farmers and the agricultural work being done throughout Canada, and particularly in the maritime provinces, I would remind hon. members of what was said by a great biblical writer who, upon looking at the production of food and those who produced it, made this memorable comment:

> Moreover the profit of the earth is for all. The king himself is served by the field.

As agricultural members, we must always look to those things which will favour agricultural interests in our provinces. As I said a minute ago, we in Prince Edward Island are producers of foodstuffs, and have always made the complaint that we have not had proper transportation facilities. To a certain extent this condition has been remedied. Since

1912 transportation has greatly improved; yet a great deal more could be done in the interest of the farmers of that province.

As I said, we must have lower freight rates, particularly in connection with the connecting links between the province and the mainland. We have been promised by the different parties that the charges on our ferries would be based upon what it would cost to carry the freight the same distance over a highway. These promises have been partly implemented in connection with certain agricultural products, but if they were fully implemented it would mean that we could transport our surplus foodstuffs to the other maritime provinces where we could find a real market.

If the bridging of the strait of Canso is completed, as surely it must be at an early day, what a market for foodstuffs would be opened up. Our farmers could transport the products of their farms by motor truck direct to Cape Breton island, and on the return trip they could bring back coal, lime or other commodities. Today we have part of that market, but it is under adverse conditions. I understand that the miners, workers and labourers in the great industries on Cape Breton island receive over $30,000,000 in wages annually. This new bridge would certainly provide a new market for a large number of our agricultural products.

There is another matter in connection with my province which I should like to mention. When victory for the allied forces was in sight a great program of demobilization, reconstruction, et cetera, was announced. The maritime provinces were asked to place their problems before the federal government and Prince Edward Island set up a reconstruction committee as suggested by the federal government. I do not know what treatment was given to New Brunswick and Nova Scotia; but, if it was any shabbier than that given to Prince Edward Island, then I pity those provinces. We have not received anything under that extensive program which was talked about and advertised for years previous.

During the war years of 1939 to 1945 the maritime provinces were neglected. They did not share in the great increase in manufacturing for war purposes. In the case of Prince Edward Island it was practically nil. During those years the government poured out $790 million of the taxpayers' money to build or construct new factories and to expand or rebuild old ones. I do not object to that expenditure because it was for war purposes, but I do object to the way in which it was spent. It should have been divided among the provinces so that they could all have had a share in manufacturing certain types of goods.

The maritime provinces represented one-tenth of the population of Canada, and yet New Brunswick and Nova Scotia received less than three per cent of this expenditure. Surely they were entitled to at least ten per cent. But Prince Edward Island did not receive even three per cent; we received one one-thousandth of one per cent or the fancy, tiny sum of $1,277. This was to complete a small expansion of a factory which was manufacturing some war materials.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. McLURE: Just before the house took recess I was speaking of the large expenditures during wartime and the injustice done to the maritime provinces with respect to these expenditures. For instance, I mentioned that $790 million had been spent to rebuild factories and to construct new ones for war purposes. I said I took no objection to that because it was for war; but let us look for a moment at what happened. According to statistics tabled in this house with reference to the contracts which had been awarded to these firms which had been set up in business, and some created as crown companies, and so forth, the total expenditure was almost $12 billion from 1939 to 1945, or, to be exact, $11,979,200,000. As I said, I am not objecting to these enormous expenditures; they were for war purposes. The objection I take is this, and I think I take it on good grounds. I contend that there should have been a fair distribution of this amount in the maritime provinces. Out of this immense sum of nearly $12 billion, my province received an expense account for the repairs of two or three corvettes and a minesweeper, a paltry sum indeed when compared with the $12 billion that was spent. It is not much wonder that in the maritimes today we have unemployment. I say this to labour and to the labour department, do not take away our labour from the maritime provinces. Do justice to the maritime provinces by building the constructive works which have been promised to us, such as the Canso bridge, the Chignecto canal on the mainland and so forth. In Prince Edward Island we were promised improved highways and the construction of a highway from Borden to Charlottetown. We were promised a

marine slip and the Brighton bridge. These things were all promised and were held out to the people in the last election on December 11 of last year. Both parties are committed to them.

I wish to speak for a moment with reference to one of these projects that should be built. In my province an essential work could be built which would give employment to from 150 to 200 people annually. I refer to the building of the marine railway slip. When we started to get the ferry system in 1913 that was part of the program. It was included to such an extent that the government of that day purchased a property on Southport road across from Charlottetown for the building of a drydock. The war of 1914 put an end to the project for the time being. The property is still there. I might say that today they are recommending the building of the marine railway slip at Charlottetown harbour to take care of the repair work of our own steamers and our own ferry boats, and also the different boats that are in the marine service, such as barges and tugboats. All this work has to leave the province annually. It goes to Pictou, Halifax, Saint John and Quebec, and our own people are left unemployed. If this marine slip were built at Charlottetown—and it has been definitely promised to us—we would have employment the year round for some 150 to 200 men, in the summertime our big ferry ships could be repaired there or have their annual overhaul there, and the other marine boats, tugs, and so forth could be repaired there when they are laid up in the wintertime. If these things were done and if Prince Edward Island were to receive assistance in comparison with what the other provinces are receiving we would have better times in the maritime provinces and no unemployment. Our men would not have to be taken away from those provinces to other places to seek work.

Because these repairs all go to Pictou, Halifax, Saint John and Quebec, our ships are delayed in getting there. Most of these places have so much work on hand that the delay is continued and we are months without our ships back in the regular service. Charlottetown has an excellent harbour; and if we had this marine railway slip I am sure that the steamers making it a port of call, bringing in and taking away freight, would not have to leave for a slight overhaul. The overhaul could take place right in Charlottetown while they are unloading and loading.

I should now like to refer to the building of the Brighton bridge. As I said, these things were promised by both parties during the last election, and they were pretty well threshed out not only here but down there during the election.

Another matter to which I wish to refer for a few moments is the tourist trade. As we have all said and keep repeating, Canada has wonderful possibilities in the tourist trade. It is a grand thing to see the provinces interested in that trade. Like the maritimes generally, my province is a real vacation spot. There, where much of the dominion's history originated you will find a tourist's paradise. No place offers more to the real tourist than the Island. There you will find a real climate, not too hot. Even if it is a hot day the gentle sea breezes will temper it nicely to the tourist. There you can see the most beautiful farms and farm scenery, scenery which will bring pleasure to any tourist who travels around.

A few years ago, in co-operation with the provincial government, the Dominion of Canada gave us a national park beginning at Tracadie, or, as we say, Dalvay by the sea. That took in the coastline of Dalvay, Tracadie, Brackley Point, Stanhope, Rustico (not Russia) and Cavendish out to Stanley bridge.

The minister himself said that this national park was an ideal spot. In connection with it we have what is known as the Green Gables golf course. Those who play golf can find no finer golf course than Green Gables, in the land made famous by Canada's greatest writer, the late Lucy Maud Montgomery MacDonald. On the sandy beaches of this beautiful national park you will find the best bathing grounds that are to be found anywhere. I might say, however, that the worst feature since we received this park is in the highways that we have by which to reach the park; and I hope that the government, in conjunction with the provincial government, will see to it this year that we have proper approaches leading to our park.

It would take only ten miles to reach the beautiful playgrounds and vacation grounds of Brackley, Stanhope and Dalvay. Then, from Rustico it would take only seven miles, and from New Glasgow a distance of six miles. I am glad to learn that the Department of Mines and Resources is considering building one of these highways this year. The other day I asked the minister a question regarding which there was a little misunderstanding, a typographical error having occurred. My question had reference to the road from Rustico to Cavendish, to the national park, and I wanted to know when it would be built. I had understood it was to be built on a sixty-forty basis between the two governments. If we had

these roads constructed as they should be, leading to our national park, it would do a great deal for the tourist industry of our province.

There is one thing you can be assured of, Mr. Speaker, and that is that the people engaged in the tourist business in Prince Edward Island are making a real industry out of it. They are endeavouring, to the best of their ability, to cater to the people who come to our shores; and we hope that in years to come, with the assistance of the federal government in the way of good roads, our tourist trade will be materially advanced so that we may have this wonderful vacation spot thronged with visitors during the summer months.

Another matter on which I wish to speak for a few minutes is in reference to social security. You, Mr. Speaker, as well as the members of this house have listened to many excellent appeals on behalf of the aged, the blind, and the veterans of both wars. You have heard about the rehabilitation of these men and you have heard proposals for giving them security in their old age.

I often think there is one class of people who have been greatly neglected, more so in our province than in any other, and for a few minutes I wish to discuss the low-wage bracket earner of the Canadian National Railways when he is put on retirement. There are in my constituency a number of these men who were retired a few years ago and some who have been recently retired, and the amount of their retirement is $25 to $27 a month. That retirement allowance might have been good enough a few years ago; but today it is not sufficient, and I for one would like to see these faithful employees of the Canadian National Railways, retired some years ago, and especially the men receiving less than $150 and down to the lowest, brought up to where they can have a decent living allowance for the rest of their days. Those in the higher brackets who have had higher salaries need not be taken into consideration to the same extent as those in the lower brackets.

There is another class of people to whom I would refer. We have given aid to the blind and the aged; we have provided children's allowances and so on; but in every constituency across Canada we find today people who are crippled, some crippled by severe accidents when they were young, some as they have grown a little older, and some crippled and handicapped from birth. There seems to be no social security for any of these, and I know that in my own constituency there are several of them.

[Mr. McLure.]

I have taken this matter up with the minister of health and welfare, but the answer always comes back that it is a provincial matter. When you go to the provincial house there is always a dispute between city and country, with the consequence that very few of those people are securing anything to help them with the great handicap they have. I hope this government will consider the matter to see that these people have some compensation for themselves.

Another matter I wish to touch upon, and one that is of importance to us, is the question of freight rates.

Mr. SPEAKER: I am sorry to interrupt the hon. member but his time has expired.

Some hon. MEMBERS: Go ahead.

Mr. McLURE: I wish to say a few words with reference to freight rates. One of the great problems in Canada today is that of freight rates. It touches everybody in every part of the country. Here we are faced in Canada with a government-owned railway system, the Canadian National Railways, one of the greatest railway systems, if not the greatest, in the whole world. This company, after due consideration regarding its expenses and operating income, has applied to the government for a 30 per cent increase in freight rates.

We all know that conditions have changed and that greater demands are being made in every direction, and I may say that if the railways are expected to give the service which is demanded of them, both by the government and by the people of Canada, and if at the same time the demand is made that they pay their own way and make a surplus instead of a deficit, then the task is an impossible one for them.

If the government demand of the railways that they give perfect satisfaction they must also say to the railways, "If you have a deficit we will take care of it," if they are not going to allow them to increase their rates.

In connection with freights, I believe that in the very near future the railway systems of Canada will make a study of what is termed stamp freight rates. What I mean is this. If a man in Halifax writes a letter to a friend outside that city a mile or so and writes a letter to one in British Columbia, four cents will carry each letter, though one of them has to go thousands of miles. I believe the railways will discuss in the future this idea of the stamp freight rate whereby all freight will be put on a par to all geographical centres across Canada and to all business houses.

Centralization has taken the big factories to the larger places. Why should we who are

a long distance from these factories be penalized? I am going to mention only one or two cases in particular. We have no objection to the great automobile works, we will say, in Oshawa. We in the maritimes and the people all over Canada to the extreme limits of the country support that factory. The farmers around Oshawa support it by buying automobiles, but they also receive a great deal of support by growing food to feed the employees of those factories. We in the maritimes are in a different situation, and the same thing applies farther west. If one of our farmers buys an automobile at Oshawa, what happens? He is immediately penalized to the extent of anywhere from $75 to $118, because he must pay the freight from Oshawa; whereas the farmer who lives around Oshawa get his car for that much less. I mention this in my argument that if a stamp freight rate act were in existence in this country, which it will be in the near future just as sure as we are sitting here tonight, that difference would be equalized. When the cost of that car was made known at the works, what would happen? They would say, "We are sending so many of these to the maritimes and so many to the west." They know the distance; they know the freight rates; and the freight would be added to the cost of the car. Hence, a farmer in Oshawa who gets the benefits in every way of the automobile factory there would have to pay the same price for his car as the man in Charlottetown, Prince Edward Island, would have to pay for his. That is giving fair and equal rights to all.

I might mention one other case, Mr. Speaker, if you will allow me to do so, and it is this. There is in Canada one industry, and I think it is the rubber industry, that prepays the freight. I have not been engaged in that industry for a few years, but when I was in the rubber industry they prepaid their goods to all parts of Canada. I think there was one place as to which they made a little difference, and that was away out in the Alaska territory. What was the consequence of that? Because of their stamp freight rate system, a merchant in Charlottetown could buy $100 worth of footwear at the same price in Kitchener, Ontario, as the merchant living next door to the factory.

Those are things which will have to be considered. In justice to the rest of Canada we should have this matter brought up and a study made of it by our railway system.

I am sorry that I have not time to deal with the fisheries of Canada because the fishing industry is second only to our agricultural industry. A little later on I hope to have an opportunity to do justice to it, if I can.

One other matter I should like to mention is in connection with the mail couriers in our province, and their problems. But, since there is an item coming up in the estimates under which it can be discussed, I will postpone discussion of it till then.

May I thank you, Mr. Speaker, for the overtime.

Mr. ALISTAIR STEWART (Winnipeg North): I should like to devote some little time, Mr. Speaker, to a discussion of the economic situation of those who have been and are now public servants of the Dominion of Canada. We have a civil service, which is yet young and perhaps in some ways immature but potentially one of the best, and I am convinced that we have among the higher reaches of it public servants who are second to none in any nation of the world. Yet in the public service of Canada there is an element of unrest which is noticeable all across the dominion, particularly amongst those in the lower paid groups. So far as the public service goes, they are the ones who have been most badly hit by the drastic increase in the cost of living. From October last until now I believe there has been an increase of another ten points in the cost of living of Canadians. As I say, that an element of unrest prevails is obvious, and we can see that from the resolutions which have been sent to us from meetings of civil servants in every large city in the dominion.

Just here I should like to give a little advice which may be considered by the civil service to be gratuitous; nevertheless it might be well worth considering. They have between sixty or seventy organizations, all of which are to some extent frittering away their energies in an attempt to protect and help small segments of the civil service. I think they would be far better off if they had one large organization which could conduct negotiations for collective agreements as an organization with the other organization, which, of course, is the Dominion of Canada. Because they do not have that one large organization, the smaller groups are weak and we see a situation such as that which prevails in the city of Winnipeg, where in quite a number of classifications the civil servants of our city have higher salaries than the civil servants of the Dominion of Canada.

Here are some instances. These would be corresponding jobs with the city and with the dominion. A clerk, grade I, in the city of Winnipeg, has a salary range from $1,020 to

$1,560, while in the dominion civil service the range is from $1,020 to $1,380. A clerk, grade II, in the city of Winnipeg ranges from $1,620 to $1,980; in the dominion civil service the range is from $1,440 to $1,860. A clerk, grade III, in the city of Winnipeg, gets $2,040 to $2,220, while the federal government pays a person in a similar job $1,860 to $2,100. A senior clerk in the city of Winnipeg gets $2,280 to $2,460; in the federal civil service he gets $2,100 to $2,400. A principal clerk in the city of Winnipeg gets $2,520 to $2,820, while a person in a similar job in the dominion civil service gets $2,400 to $2,880. The city of Winnipeg is not notoriously rich, as those who live there realize, but it is sufficiently progressive to pay its own servants salaries which are considerably larger in many cases than those paid for similar jobs by the federal government. I think the government of Canada could well afford to take a leaf out of the book of Winnipeg and examine more closely the range of salaries paid, with the intention of raising them.

As I have said, the situation which we have today, where the policy of the dominion government has been to raise prices all across the board in Canada, has created unrest; and I am dealing solely with the unrest in the civil service. If the cost of living continues to go up, then undoubtedly the salary increase which was granted recently will be completely nullified. The suggestion I have to offer is this, and I think it is worthy of consideration. The amended salary rates as they existed at October of last year should be accepted as basic salaries. The increase in the cost of living should be compensated for by giving the civil servants a bonus to some extent commensurate with that increase. If put into effect, I believe such a plan would remove some of the unrest which now prevails and would undoubtedly be fairer to those people who are giving the best days of their lives to the Dominion of Canada.

There is one other group about which I should say something too; that is, those classified as temporary employees. Across Canada we must have thousands of civil servants who come within this category. It is unfair to those who have been working for six or seven years, or more, to find that they have no permanency at all. Indeed there are some employees of this house, I am told, who have been on a temporary basis for at least six or seven years. That is wrong. If a person is employed in the civil service I have no objection to his being given a probationary period, which I do not think should exceed one year; but, after that period, he should undoubtedly be given the security that comes with permanent employment. There is also one other group who work for us,—namely the sessional staff, who as yet have received no increase to compensate for the increased cost of living. I hope that very shortly increases will be announced for these loyal and faithful workers in this house.

However, there is another group, who were also civil servants at one time, whose plight I wish to draw to the attention of parliament. I refer to the superannuated civil servants who gave most of their working days to the jobs which were theirs, and who are now retired. I have in my hand sessional paper No. 22, which is a report on the operations of the Civil Service Superannuation Act for the fiscal year ended March 31, 1947. An analysis of this document is interesting. I find that, in the year it covers, some 1,100 civil servants were retired because they had reached the age limit of sixty-five. Of those 1,100, some 442 were retired on a pension of $43 a month. We have to remember that those retired on such a small pension must have been working on a small salary; and during these days small-salaried people are not able to save any money for their old age. They have to use every cent they get in the struggle to live, and they have nothing left in the form of savings to augment whatever pension they are given. How two people over sixty-five years of age can possibly hope to exist today on $43 a month is something only treasury board can tell us. I am convinced that no one else can do so.

But included in the 1,100 are 103 who have been retired on a pension of less than $17 a month. In that respect I should like to quote part of a letter which was addressed to Mr. E. E. D. Wilson, secretary of the superannuated civil servants, whose office is here in Ottawa. It concerns a lady, who for obvious reasons I shall call Mrs. X, though her name is available to anyone who would like to know it. She is a superannuated civil servant who landed in hospital in Toronto with pneumonia, of course under the care of a doctor. A friend of Mrs. X wrote the letter, part of which I am going to quote:

> I might also advise you that the same doctor tells me it is from the type and kind of living Mrs. X has been trying to exist on and from what her meagre monthly superannuation cheque could provide that has brought her to the state of malnutrition and this illness; that the monthly amount she now receives of $28.87 had not provided for the necessary things of life, and this is all she has in the world—so by the time she paid room rent there wasn't much left for food or anything else.

Some may say, well, why did she not pocket her pride and go to her friends and beg or borrow from them in order to live a little better? Those who ask that question have very little regard for the pride many people have when it comes to borrowing from one's friends or relatives or neighbours. Here is an elderly woman, over sixty-five years of age, with this meagre, pitiful pittance of $28 a month, whose doctor has diagnosed her trouble, apart from its being pneumonia, as malnutrition. And if that happened to a person receiving $28, what about those 103 civil servants who are in receipt of something less than the meagre sum of $17 a month? But I believe some 156 or 157 civil servants died while still in the service, and they left behind widows and children. One hundred of those widows average as a pension less than $30 a month from a grateful state, while the average child gets about $6. One can imagine the plight of a woman getting on in years, with a child perhaps at school and an income of $36 a month, trying to educate, clothe and feed that child as well as keep a roof over its head. It is a manifest impossibility with prices as they are just now.

Then last year some civil servants died after retirement. They left 179 widows; and of those relicts of superannuated civil servants some 121 today receive an average of about $30 a month from a grateful nation. I have a reasonable command of the English language, Mr. Speaker, but I find it very difficult to put into parliamentary language what I think of conduct such as this. However, I shall read extracts from two other letters which perhaps will point up the situation better than I can do myself. These letters also were addressed to the superannuated civil servants' association. Here is part of one:

> My husband's pension was thirty-nine dollars and some odd cents, he barely lived three years after pension was granted and after his death, as you know, gave me half, which is $19.58, and I was more in need of if after his death than before.
>
> The letter spoke of a cost-of-living bonus, and being under the doctor's care now for two years I find I cannot meet the expenses—doctor's bills, fuel for the coming winter and living expenses.

We should remember that elderly people are going to spend more money per capita for medical care than those who are younger and still working. Elderly people need more help than they are getting today, if for no other reason than to provide medical care. Here is still another letter addressed to Mr. Wilson:

> Dear Sir:
>
> Now that high cost of living is steadily going upward we just can't cope with my pension of $38.75 per month.
>
> One can of vegetable soup has to be enough for the whole day. If you say that this is a living, I would rather want to be dead than alive.

You will remember, Mr. Speaker, that here I am dealing with only one small group in Canada, the superannuated civil servants, not with that vast mass of elderly people who have very little to live on. I am referring to just one group in particular, but what I have to say applies to all of them. When we think of what they have to exist on we must realize at once that their conditions are absolutely and utterly intolerable.

What has been the reaction of the government? Well, a statement was made some weeks ago by the Minister of Finance (Mr. Abbott) on behalf of the government, in which at one point he said in effect that, in comparison with industrial pension payments, the superannuated civil servants were not too badly off. The fact that industrial pension schemes are inadequate is no reason for the federal government saying that that is good enough for us, and following blindly along the way generally accepted by industry. One would hope that in the matter of employment the federal government would give a lead and not follow quite so sheep-like in the footsteps of others.

Another statement which was made was that there had been a considerable contribution by the government to the pension scheme, and that therefore it was impossible to consider giving any additional money to help these people. I cannot agree with that statement. I do not believe any contribution has been made by the federal government. I think that when the federal government paid money into this fund it was, in effect, paying part of the wages which civil servants would have got, had there been no fund. And on the basis of that argument there has been no contribution of any kind, let alone what the Minister of Finance called a considerable contribution.

It has been argued that the agreement between the superannuated civil servants and the federal government is a matter of contract. It may well be; I do not know. But I doubt it. In any event, I am prepared to argue on the basis of a contract—a contract entered into, let us say, by civil servants years

ago when the general standard of pay was not nearly as great as it is today. For a certain sum of money they could buy a certain quantity of goods. But obviously the dollar of today cannot buy even seventy per cent of the goods it would buy in 1938. The government, by its own deliberate policy in taking off price ceilings, has so increased prices for the people of Canada, including superannuated civil servants, that their dollar is now worth practically half what it was before the war. This policy has been entered into deliberately by the government, and by entering into it they have caused great harm to those who live on fixed pensions in this country.

The government's answer has been No, that it would not consider a cost of living bonus for these civil servants who are now superannuated and who have received no help whatsoever through the years of the war. The government's "no" seems to be dogmatic and categorical. Nevertheless I hope the government will reconsider its policy. After all, we shall end this budgetary or fiscal year with a surplus greater than we have ever before known. There are many over there who may take pride in accumulating as surplus hundreds of millions of dollars. They would be better advised to take pride in using that surplus to improve the conditions of people in Canada, and especially the conditions of their own servants.

There is one other matter which I wish to draw to the attention of certain ministers, principally the Minister of Trade and Commerce. These matters deal with housing in various parts of the country. I intend to read extracts from certain letters, and I shall do so in good faith, though I have not been able to investigate these conditions, myself.

I have here a letter from Mrs. E. Sutherland of Fort William, Ontario, who writes on behalf of tenants of the Central Mortgage and Housing Corporation. She states that last July those tenants were led to believe that the government houses they occupied were for sale, but that nevertheless it would be reasonable for them to expect to continue to live in these homes on a rental basis. Then, within the last few weeks those tenants have been suddenly asked either to buy or to get out. They are to be moved somewhere else, and they have not been told where they are to be moved to. I am informed by Mrs. Sutherland that the agents of Central Mortgage and Housing Corporation are using methods which she says are creating a campaign of fear. These are her words:

> These methods are . . . directed especially against the women of the household, so upsetting and terrifying them that they in turn force their husbands to buy against their will.

I do not say that is true, nor do I say it is false. It is an allegation which is made, and if it is true it is shameful. Therefore I would ask the government immediately to investigate the facts of the situation in Fort William. In some instances I am told tenants are being given from three to ten days to make up their minds as to whether or not they intend to buy these homes. I think most people who buy houses these days are being rather reckless, not to say stupid, because value is not in the homes which are being built. Furthermore for the average worker the cost of a home today is such that he will be mortgaged for the rest of his life in attempting to secure ownership of the home. Houses are too dear. And, what is even worse, there is this dreadful insecurity on the part of tenants who feel that their present jobs may not last. Yet they are being forced by a government agency either to buy or to get out. I suggest that the situation needs immediate examination.

Then, I have some letters in connection with Wartime Housing Limited. We know that this company entered into contracts with municipalities throughout Canada. I thought, at the time those contracts were entered into, that perhaps those municipalities had put their names to improvident contracts. The municipalities would get only about $24 to $30 a year in taxes.

Now these same municipalities find that they have to supply lighting and educational as well as other facilities to the tenants of these houses. Naturally they want additional taxes. In a statement in the house a little more than a year and a half ago the Minister of Reconstruction and Supply (Mr. Howe) said that the municipalities would get another $2 a month per house. Unfortunately it does not seem to have stopped at $2. After all, it is not the fault of the tenants if the municipalities have entered into what conceivably in law may be an improvident contract.

Surely it is not right that this creature of the government should turn around and compel tenants to pay increased taxes which the various cities and municipalities want. At this point I quote part of a letter from St. Catharines, Ontario, stating in part:

> You are aware no doubt that these homes are temporary dwellings falling rapidly into deterioration for the following reasons: They are built on cedar posts with no foundation; they

are built of unseasoned lumber; they are built on the outskirts of the city without proper drainage facilities.

I do not know what the facts are in St. Catharines, but I have suspected in other areas that these Wartime Housing homes were of a very temporary nature and that they might eventually become slums. Then, the letter contains the following suggestions:

Our appeal is based on the following headings:

1. Tenants are not liable for taxes;
2. The assessment of these properties is too high;
3. The present rental is adequate to meet all tax requirements.

I believe that third statement is pretty accurate, and I can see no reason why the government should compel tenants to pay increases in taxes when probably sufficient rental accrues to the government to absorb the increased overhead.

Then we have a case in which the hon. member for Vancouver North (Mr. Sinclair) may be interested. This, too, is a Wartime Housing scheme in Vancouver. In this scheme the tenants pay about $225,000 a year in rent. Of this sum, $18,750 goes to the city in taxes. Then, $126,000 a year is allotted for administration and maintenance, and $81,000 for credit on capital account. I am told that these houses have at least had one exterior paint job and that most of them have had two interior jobs of redecoration. Nevertheless we are faced with the fact that $126,000 for five years adds up to $630,000. And, if we assume the cost of painting and decorating to be the fanciful figure of $230,000, there is still $400,000 left, or an average of $80,000 a year to look after administration of this project. It is difficult to believe that this $80,000 a year is entirely swallowed up in administration costs. If such is the case, then obviously the administration had better be cleaned up rapidly, for it must be incompetent. But I doubt if there is such incompetence, and so it is out of the surplus which the tenants give that I think Wartime Housing Limited ought to pay the increased taxes which are asked by the city of Vancouver.

Here again I quote from a letter from Mr. J. Nuttall, secretary, wartime housing tenants committee, in which he says:

This proposed increase means hardship to many people in these homes. We can cite instances of burned-out pensioners living on $65 per month. A man (veteran of both wars) and his wife and daughter living on the daughter's earnings of $28 per week. Widows with small children receiving $50 monthly. War veterans comprise over half of those living in these wartime homes. Names and details of these cases can be supplied on request. These people now are being presented with a new lease which states "$5 per month more to meet municipal costs" and are being forced to sign on pain of eviction from the premises. This, in our opinion, is one of the most glaring cases of callous disregard of the administration to the interests of the people.

Those may be strong words, but I rather suspect that they are well merited.

I have still another case having to do with the workers at Kenora. The information about this case was provided by the reeve of the municipality of Jaffray and Melick, who states that the workers at a local airport have been required to pay a 100 per cent increase in their rents. The matter was taken up with the Minister of Reconstruction and Supply (Mr. Howe), who answered in part:

There was an upward revision of the salaries of radio operators at that time, and provision was made that these men would not suffer any reduction in "take-home pay" as a result of the increased rent, other than through deductions for income tax and contributions to the superannuation fund.

I do not know whether the right hon. gentleman realizes how supremely cynical such a statement is. In effect it boils down to this: The workers there were given an increase in pay so that they could pay increased rents which in turn would go back to the federal treasury. On the other hand, it is possible that the increase in pay was given to provide for the general increase in the cost of living which has been inflicted on all of us. If such is the case, then obviously it is iniquitous literally to tax all the increase out of the workers in the form of increased rent.

There are one or two more things I should like to say on housing, particularly with reference to a speech made by the Secretary of State for External Affairs (Mr. St. Laurent) before the politics club of McMaster university. This is a very revealing speech indeed. The minister made clear his views on housing when he said:

I'm against subsidized housing because it would be available to a few privileged ones.

I do not know how the right hon. gentleman arrived at such a conclusion. If he has aspirations such as have been suggested in the public press I think he should become rather more familiar with the ramifications of housing in this country. Subsidized housing is designed to help underprivileged people, not the privileged ones. The submerged third of our people earn less than $1,400 a year. Those who earn such an amount of money obviously are not in a

position to pay the inflated prices which are asked today for new homes, neither are they in a position to pay more than $20 or, at the outside, $25 a month in rental for their families. Private enterprise today cannot and will not build houses which will rent for $25 a month. Therefore, if we are to give the submerged third of our population a chance to live in dignity and decency; if we are to get them out of the slums, obviously we have to subsidize the cost of the homes which they will inhabit. I think that is a matter which the minister of external affairs ought to study more closely. Still speaking on this matter of subsidized housing, he goes on to say:

> It would be risking temptation to put into the hands of politicians a few thousand houses which could be given to certain persons. It would be a temptation to buy votes.

I think that question comes perilously close to being a question of privilege. Of course the right hon. gentleman may know his colleagues better than I do, but I cannot think of any member of parliament using the provision of homes merely for the purpose of buying votes. I am going to repeat what the C.C.F. has suggested with regard to a housing scheme. Having heard this, I am sure the minister of external affairs will realize that it would be impossible for a politician to give away houses as he envisages.

We suggest that there should be a housing department set up by the federal government and that similar housing departments should be set up by the nine provinces, the federal department and the provincial departments working closely together. Working with the provincial departments there would be the municipalities and the larger zones. The municipality would decide what homes were needed and the matter would be cleared eventually with the provincial authorities. Then the federal government would be asked to supply the money necessary to build low-cost homes all across Canada. I do not see how possibly the pork barrel which the right hon. gentleman fears could enter into such a scheme.

I am not going to discuss housing further at this moment because we shall be given an opportunity later on in the session to debate the obvious inadequacies of the government in providing homes for the people. All I say now is that I have brought certain glaring injustices to the attention of the House of Commons, particularly to the attention of the ministers concerned. I hope these injustices will be investigated and, if what I have said is true, as I believe it is, that they will be immediately rectified.

[Mr. Stewart (Winnipeg North).]

(Translation):

Mr. J. G. LEOPOLD LANGLOIS (Gaspé): Mr. Speaker, along with my fellow members who have spoken in this debate, I hasten to offer my heartiest congratulations to the mover of the address in reply to the speech from the throne. The hon. member for Lake St. John-Roberval (Mr. Dion) has shown once again how clearly and accurately he can state his views in this house.

(Text):

I wish to congratulate the hon. member for Halifax (Mr. Dickey) upon the overwhelming victory in the last by-election and upon the splendid contribution he has made to this debate. His maiden speech augurs well for a long and fruitful political career. I think it is proper also at this stage to say a few words about the changes which took place recently in the cabinet.

It was with deep sorrow that we witnessed the departure of the Right Hon. Ian Mackenzie. As a member of this house, I thank him most sincerely for the marvellous task he accomplished as the minister in charge of the Department of Veterans Affairs, and on behalf of the veterans of my riding and speaking for myself as well I wish him every success in his new political functions.

The new Minister of Trade and Commerce (Mr. Howe) also retains the portfolio of the Department of Reconstruction and Supply. Canada is fortunate indeed to have his remarkable capacities at its disposal in the present crisis. His numerous and brilliant achievements during the war as Minister of Munitions and Supply are guarantees of success for the future.

Some of our colleagues have seen fit to voice criticism of the appointment of the former Minister of Trade and Commerce (Mr. MacKinnon) to the portfolio of fisheries. Representing as I do a riding where fisheries is one of the main industries, I say now sincerely that this appointment put the right man in the right place. The main, and most important, problem of our fishermen today is the difficulty in obtaining markets for their production. The minister has acquired valuable experience in this field as Minister of Trade and Commerce, which experience can do no less than benefit the industry as a whole. I assure the minister in the name of the fishermen of my riding that we are pleased to see him at the head of this department, and that he will have our unfailing co-operation.

We look also to the new Minister of Veterans Affairs (Mr. Gregg) to carry out the good work of his predecessor, and I pray him to accept our best wishes in this new field.

(Translation):

In a recent debate in the Quebec legislature, certain statements were made that I wish to comment on as briefly as possible.

The first was made by the Quebec premier, during the debate on the legislation introduced by his government with a view to remedying the present housing shortage in the province of Quebec. As you are aware, ever since the right hon. the Secretary of State for External Affairs, (Mr. St. Laurent), in a lecture he gave at McGill on October 27, 1947, pointed out to the Quebec premier where his duty lay in so far as that important problem was concerned, Mr. Duplessis hastened to prepare legislation which, on his own admission, is inefficient, and did so in order to satisfy public opinion aroused by the statement from the right hon. the Secretary of State for External Affairs.

According to the press, the premier stated in the debate that Ottawa should attend to this problem because Ottawa, he claims, exports our building materials abroad. I contend that this statement is absolutely wrong and that if the Quebec premier has no better excuse to shirk his duty, he ought to look for another.

An hon. MEMBER: Hear, hear.

Mr. LANGLOIS: I have drawn up a list based on statistics issued by the Department of Trade and Commerce, showing our exports and imports of staple building materials for 1945, 1946 and 1947. Here is the list:

Cement	Exports	Imports
Barrels (000 omitted)		
1945	282·5	32·7
1946	114·4	350·1
1947	88·0	1248·6
	484·9	1631·4

Surplus of imports over exports: 1146·05

Building bricks	Exports	Imports
	(000 omitted)	
1945	3,708·0	1,387·2
1946	6,114·0	1,131·6
1947	4,186·0	8,929·5
	14,008·0	11,448·3

Surplus of exports over imports:
(000 omitted) ..... 2,559·7

It should be noted that during this period we produced more than enough brick to supply all our building requirements; that explains why exports are in excess of imports.

Rock wool:

(in thousands of squares)	Exports	Imports
1945	nil	5,993·3
1946	nil	7,822·3
1947	nil	5,775·4
		19,591·0

It should be noted that we have not exported any quantity of this product in 1945, 1946 and 1947.

Gypsum:

(tons)	Exports	Imports
1945	447	2,884
1946	969	7,633
1947	1,423	10,071
	2,839	20,588

This shows a surplus of imports over exports in tons, 17,749.

Asphalt shingles

(in thousand units or squares)	Exports	Imports
1945	nil	nil
1946	4·5	10·1
1947	8·9	nil
	13·4	10·1

Here is a surplus of exports over imports of 3·3 thousand units. Domestic production was again more than equal to our needs.

Radiators (cast iron)	Exports	Imports
	(thousand square feet)	
1945	nil	0·3
1946	nil	7·6
1947	nil	43·8
	nil	51·7

Let us note that there has been no export of this article during 1945, 1946 and 1947.

Glass panes (colourless)

	Exports	Imports
1945	15·3	39,803·8
1946	4·3	43,724·3
1947	93·1	70,227·4
	112·7	153,755·5

Surplus of imports over exports (in thousands of square feet) ..... 153,642·8

It should be noted that our exports of this item were taken exclusively from our imported stock.

Paints, varnishes, etc.

	Exports	Imports
1945	$3,973·2	$8,661·8
1946	4,406·7	9,436·5
1947	7,346·2	13,441·5
	$15,726·1	$31,539·8

Excess of imports over exports (in thousand dollars) 15,813·7.

Wire nails, etc. (tons)

	Exports	Imports
1945	814	71
1946	1,270	680
1947	32	4,147
	2,116	4,898

Excess of imports over exports)in thousands of dollars) 15,813·7.

The following is a comparison between pre-war exports and exports for 1945, 1946 and 1947 of certain items:

	1939	1945	1946	1947
Nails (tons)	8,054	814	1,270	32
Flooring material (in thousand feet)	9,961	554	106	50
Wood lath (in thousand units)	179,060	25,981	26,193	41,700
*Wood shingles (units or squares)	2,935,349	1,651,061	1,775,216	2,050,889
Wooden doors	491,628	2,115	642	5,805

*N.B. Production of this item is more than sufficient to meet local demand.

It should be mentioned here that the bulk of exports tabulated above goes to the United States. Mr. Speaker, I must also bring to the attention of this house that our exports of structural lumber are still closely controlled by the government, so much so that our foreign trade of this commodity is practically non-existent. For instance, to this date, Great Britain has stated her intention of purchasing, during 1948, only about one-sixth of her 1947 purchases.

But to dispose fully of the claims of the premier of the province of Quebec, I must point out here that in addition to applying a strict control on our exports of building materials, the federal government has always encouraged our producers and building materials manufacturers to increase their production. The government has even granted bonuses to manufacturers for this purpose. Statistics show that production of the chief building materials has increased considerably. Following are the figures covering the main items:

	1939	1945	1946	1947
Lumber (billions of bd. ft.)	4	4¾	4¾	5
Hot-air furnaces (Units)	25,000	35,000	43,000	56,000
Soil pipes and joints (tons)	18,000	22,000	26,000	33,000
Cement (barrels)	4,900,000	6,900,000	10,300,000	12,100,000
Steel pipe (tons) App.	90,000	135,000	98,000	93,000
Bricks (millions)	160	190	275	290
Glass (thousands of sq. ft.)	49	40	44	70
Nails (thousands of tons)	64	66	60	78
Asphalt shingles (thousands of sq. bundles)	500	1,500	2,100	2,100

These figures are self-explanatory and I suggest that the premier of Quebec ponder them before making more statements such as I mentioned a few moments ago.

Another of the premier's claims is that during the war the federal government neglected housing. This statement is as false as the previous one. Our exports of building

materials were then and still are strictly controlled.

Moreover the number of new houses built during the war reached the following figures:

1941	48,000
1942	40,000
1943	36,000
1944	39,000

That is a total for that period of approximately 162,000.

On the other hand the post-war home-building figures are the following:

1945	app.	48,000
1946	app.	67,000
1947	app.	78,000
		(and quite possibly 80,000)

Which gives us a total figure for that period of approximately 163,000.

Between 1941 and 1947, Wartime Housing alone, a dominion government company, has built a total of 31,192 houses.

Let Mr. Duplessis do but a third of what the dominion government has done to meet the housing problem and it will no longer be a problem in our province.

Some hon. MEMBERS: Hear, hear.

Mr. LANGLOIS: It appears that in that same debate the hon. the minister of youth and social welfare in the Quebec cabinet, realizing that his leader was on rather weak ground, rushed to the rescue with the following statement, which I quote from the newspaper *Le Soleil* of February 25, 1948:

> The leader of the opposition then spoke of our country's war effort, said Mr. Sauvé, and he maintained that this effort had been considerable. I will go further and claim that this effort has been "appalling." Those who at the time sounded the alarm were branded as traitors. But at Washington and in other countries, it is now said that our war effort has been irrational. For my part, I would say that in men and blood, our contribution to the war effort has been criminal.

Some hon. MEMBERS: Shame!

Mr. LANGLOIS: The press has it that, following this contribution by Mr. Sauvé, Mr. Chaloult, member for Quebec county, rose to congratulate him for showing such courage in making that statement. What a compliment! What a wonderful example of bravery!

Mr. Speaker, I knew Mr. Sauvé from having heard him praised as a veteran and especially as a major in the Canadian army and as second in command of the Fusiliers Mont Royal with whom he landed in France to join the Canadian armed forces after the battle of Caen. I must say, however, that since he made that statement last week, I know him a great deal better. I have, however, a few questions to put to him.

An hon. MEMBER: He is not here.

Mr. LANGLOIS: Could you, Mr. Sauvé, have summoned enough courage to make that same statement to your men before they landed in France, especially before they took part in the glorious battle of Falaise? Would you have had the courage to tell your soldiers before the French campaign in which they took so valiant a part, that the help they were receiving from their country in that bloody conflict, was, in your estimation, irrational and even criminal?

Would you have had enough courage to tell them that you were prepared to send them into action without first making sure there were sufficient reinforcements to fill the gaps in their ranks.

I must stress at this point that the hon. Mr. Sauvé is also brigadier and commanding officer of the 10th Canadian reserve brigade and I am wondering whether he is not assuming the role of a new Dr. Jekyll and Mr. Hyde. If he can indulge in the antics of a dual personality, one as brigadier in the Canadian army and the other as follower of the Union Nationale, for my part I have no objections. However, if his personal convictions conflict with the obligations consequent upon either of these duties, there is but one course open to him, and I should not have to tell him what to do. The people he serves have a right to expect him to take a stand one way or the other.

It is most unpleasant to refer to the Hon. Mr. Sauvé in such fashion but in view of his statement, it must be pointed out to him that our veterans and the people in general impatiently await the explanation or gesture that they expect of him, and rightly so.

Mr. MICHAUD: Hear, hear.

Mr. LANGLOIS: Mr. Speaker, viewing the matter from another standpoint, I would ask

the Hon. Mr. Sauvé to compare his statement with the words which were spoken by his leader, Hon. Mr. Duplessis, on October 28, 1944, and reported in *L'Action Catholique* of the same date. At the time, the Hon. Mr. Duplessis was campaigning for the 7th victory loan, and the Quebec paper *L'Action Catholique* quotes him as follows:

> Once again, said Mr. Duplessis, I am asking civil servants to subscribe freely and generously in order to top, as far as possible, the target set for them. To all intents and purposes, theirs is a good investment. Under the present circumstances, continued Mr. Duplessis, were it necessary for me to borrow money so that I might lend it to my country, I would gladly do so.

Logically, Mr. Sauvé should now blame his leader for having, in the words I have just quoted, encouraged such an irrational and criminal war effort. Mr. Speaker, I pointed out a moment ago that Mr. René Chaloult, on that occasion, had spoken in praise of Mr. Sauvé's brave and even heroic attitude.

Mr. Chaloult's statement was no doubt meant to prime his own courage for the next day's debate on his motion regarding immigration. It has to be granted that it called for exceptional courage to criticize a great Canadian who has been dead for nearly thirty years.

In answer to Mr. Chaloult's remarks, I shall quote from a report of his own speech as it appeared in *Le Devoir* of February 26. I am forced to quote from a newspaper because the Quebec legislature has no *Hansard* and only Mr. Chaloult's new leader is fortunate enough to have a dictaphone in his desk to record his speeches.

An hon. MEMBER: Hear, hear.

Mr. LANGLOIS: The records are not yet on the market but it is said that in the near future they will be a serious threat to our best producers of popular music and boogie-woogie.

Mr. GAUTHIER (Portneuf): And Frank Sinatra.

Mr. LANGLOIS: I will mention only a few of Mr. Chaloult's statements to show that telling the truth, the whole truth, is the least of his worries.

Mr. MICHAUD: Hear, hear!

Mr. LANGLOIS: Here is the first of these statements on which I want to comment. I quote textually from *Le Devoir*:

> I note with sadness, says Mr. Chaloult, that the strongest immigration movements took place while a French Canadian guided the destinies of our country.

[Mr. Langlois.]

That statement is absolutely false, and I shall prove it. Mass immigration to Canada did not begin in 1896 during the Laurier regime, as Mr. Chaloult contends, but in 1871 as shown by the following statistics:

From 1871 to 1881, 362,893 immigrants entered Canada, or 90,233 more than the natural increase in population during that decade. From 1881 to 1891, 920,351 immigrants settled in Canada, that is 179,351 more than the natural increase in population during the same period.

It should be noted that in this period of twenty years, the number of immigrants admitted to Canada exceeded by 279,584 the normal increase in our population. Mr. Chaloult, however, does not mention that period, because he is well aware that a Conservative administration was in power throughout those 20 years except when the Liberals took over between 1873 and 1878 under Prime Minister A. MacKenzie.

Turning to the 1891-1911 period covering the next two decades, during which Sir Wilfrid Laurier held the post of prime minister for 15 years, we find that contrary to Mr. Chaloult's claims, our increase in population exceeded by 314,970 the number of immigrants admitted to Canada throughout those years. In the light of these figures, will Mr. Chaloult still try to claim that under the Laurier administration, immigration was carried out on a larger scale than under earlier or later governments?

Furthermore, I shall shortly quote figures that will show Mr. Chaloult that even in the midst of war, the number of immigrants admitted to Canada between 1911 and 1921 under a Tory administration exceeded by 396,694 the normal increase in our population. Here are the figures: immigrants, 1,472,694; natural increase, 1,076,000.

If we consider this 1911 to 1921 period, under a Conservative government, as against the 1921 to 1931 period, under a Liberal administration, with a few months interruption, we find that under the latter government, the number of immigrants was 195,710 less than the natural increase. Mr. Chaloult has thus deliberately altered the facts and I believe I have demonstrated it adequately.

The second excerpt I wish to quote from Mr. Chaloult's speech is the following and again it is taken from *Le Devoir*. Referring still to the allegedly nefarious Laurier government, the newspaper quotes Mr. Chaloult as follows:

> The scum and riff-raff from the London dockside, men with criminal records and Doukhobors were brought to Canada at great expense, while great care was taken to eliminate any French or even Latin immigration.

If only Mr. Chaloult were concerned with telling the truth, he would have added that the Doukhobors came to Canada in 1900, it is true, but only after a precedent had been set in 1873, under a Tory government. The Doukhobors were in fact preceded by the Mennonites. Some of these had already come from Pennsylvania to settle in Ontario at the beginning of 1800, but the real immigration of Mennonites from Southern Russia began in 1873 in the west, mainly in Manitoba. The Conservative government of the day, Sir John A. Macdonald being premier, passed an order in council, P.C. 957, dated August 13, 1873, authorizing the entry of Mennonites under very special conditions. They were, among other things, exempted from military service and allowed to create their own educational system. That order in council, kept secret until 1940, created the precedent whereby order in council P.C. 2747 was passed on December 6, 1898, permitting the entry of Doukhobors under conditions practically similar. Therefore, if Mr. Chaloult can blame Sir Wilfrid Laurier for having brought Doukhobors here, he must, in fairness, add that such entry had been permitted by a former Tory government which created a precedent in favour of the Mennonites. Mr. Chaloult quoted a little later some figures relating to immigration since the end of the last conflict, mentioning, for instance, that in 1947, out of 64,000 immigrants who entered Canada, 38,000 were from the British isles. I do not know where Mr. Chaloult has taken his information, but I can say that it is absolutely inaccurate and does not tell the whole story. To substantiate this latter assertion, I need only say that since the end of the war we have granted entry in Canada, from the British isles, to 43,447 war brides and 20,992 children born of marriages between our Canadian soldiers and British girls, or a total of 64,439. Mr. Chaloult also forgets to mention that among these wives and children there were a good many whose husbands or fathers were French Canadians from our regiments in the province of Quebec.

Continuing his argument against the dominion government about immigration, Mr. Chaloult stated that this government had even placed planes at the disposal of Ontario's premier to speed up British immigration in this country.

This statement is absolutely false, and he knows it. As a matter of fact, Mr. Drew had chartered foreign planes to carry those immigrants to Canada. However, when told that the planes could not land on Canadian territory as a result of previous agreements, he was forced to make new arrangements through Trans-Canada Air Lines for the transport of only one-third of the immigrants he was bringing into Canada. I may add that Mr. Drew paid out of his own pocket for both the foreign planes and those supplied by Trans-Canada Air Lines. The dominion government therefore did not incur any expenses for the transportation of these immigrants.

Mr. Chaloult then blamed the dominion government for placing all sorts of obstacles in the way of French immigrants to Canada. I challenge Mr. Chaloult to quote any section of our immigration act or any departmental regulation preventing Frenchmen from coming to Canada as immigrants. Our immigration act does not discriminate either in favour of some privileged class of immigrants, or against immigrants from France or Belgium.

Moreover, immigration offices are maintained by our dominion in Paris, Brussels, The Hague and Rome for the nationals of those different countries. Mr. Chaloult would promote French immigration into Canada but remarks such as he made in 1947 when he denounced what he described as French interference with education in the province of Quebec are hardly conducive to bringing more French immigrants into this country.

Some hon. MEMBERS: Hear, hear.

Mr. LANGLOIS: I now quote two Quebec daily newspapers on Mr. Chaloult's statement. Here is *Le Soleil* of April 10, 1947, and this is what I find in a letter to the editor written by Mr. Vincent Brosseau:

> Unwittingly, Mr. Chaloult is playing into the hands of the promoters of the disparaging campaign against France which started a few months ago and has gained new momentum

since the Fourth Republic signed with the British the entente cordiale of Dunkirk. How sad it is that French Canadians should belittle the country of their forebears.

The next quotation comes from *Le Canada,* and is dated April 12 of the same year. Here is an excerpt from a Paris dispatch written by Mr. Raymond Grenier and bearing the heading: "Canadian students in Paris denounce Mr. R. Chaloult's attitude towards France".

The recent peculiar attacks against France by Mr. René Chaloult, nationalist representative in the Quebec legislature, have been a great shock to Canadians living in Paris. In a statement to the French press, a large number of university students, writers and artists from Canada have stated that they were left dumbfounded by such a diatribe, because they are well placed to ascertain its extraordinarily rank stupidity, although they could scarcely expect anything better from its author.

What publicity for a man who wishes to bring French immigrants into Canada.

Mr. MICHAUD: Hear! Hear!

Mr. LANGLOIS: To come back to Mr. Chaloult, the latter has further suggested that the proposal of *La Chambre de Commerce de Montréal* to organize French immigration into the country be considered. Mr. Chaloult, however, hastened to add that he did not want to commit himself on the matter. This is quite typical of his unproductive and vociferous patriotism, proving once more that he is unable to live up to his responsibilities. Rather than assuming this negative stand, Mr. Chaloult would be better advised to accept the conclusions of an editorial in *L'Action Catholique* of October 24, 1946, under the signature of Mr. Georges-Henri Daigneau. I shall quote only the last paragraph of this editorial entitled: "Call to the Rescue".

In any event, the only conclusion one may draw from all this is that the province of Quebec should organize its own immigration in order to bring to Canada Europeans who are capable of becoming French-speaking Canadians and of offsetting the flow of Anglo-Saxons which the English provinces have called in to their rescue.

Mr. Chaloult turns next to the proposed admission of displaced persons, which he objects to. In reply I could say that, in allowing this type of immigration, Canada is only doing its duty. The following quotation is proof enough of that.

L'Action Catholique of November 6, His Excellency Archbishop Joseph Charbonneau, speaking as guest speaker of the *Chambre de Commerce de Montréal* as follows:

His Excellency Archbishop Joseph Charbonneau, who was guest speaker yesterday at the midday meeting of the chamber of commerce of Montreal in the Windsor hotel, gave his support to a policy of selective immigration, which would enable thousands of unfortunate Europeans, now without shelter and living in miserable conditions, to associate themselves with us in order further to develop our ancestral heritage, without, in so doing, endangering our traditions or institutions. In taking this stand, the Archbishop of Montreal was expressing an opinion expressed by His Holiness Pope Pius XII in a recent speech, in which he said that because of its vastness and immense resources America was capable of providing a haven for great numbers of Europeans.

Mr. SPEAKER: I regret to interrupt the hon. member, but I must remind him that he has used up his time.

Some hon. MEMBERS: Go ahead.

Mr. CAOUETTE: Continue to read.

Mr. SPEAKER: If the hon. member has the unanimous consent of the house.

Some hon. MEMBERS: Carried.

Mr. CAOUETTE: Who prepared that speech?

Mr. LANGLOIS: I would rather read my speech than talk nonsense as does my hon. friend in this house.

Mr. CAOUETTE: Who prepared that speech?

An. hon. MEMBER: Who prepares the letters that you people sign?

Mr. KNIGHT: Mr. Speaker, the hon. member is reading his speech word for word; it is not very interesting.

Mr. LESAGE: No, he does not read, he merely follows his notes.

Mr. CAOUETTE: He has read his speech from the very beginning.

(Text):

Mr. LANGLOIS: I am quoting figures and statistics. I hope my hon. friends will be generous and give me a chance to complete what I am saying. I have been quoting quite a few paragraphs from newspapers also.

Mr. SPEAKER: I would suggest that the hon. member now conclude his remarks.

(Translation):

Mr. LANGLOIS: Mr. Speaker, I hasten to conclude but before doing so I wish to quote

from *L'Action Catholique* which stated further in the same report:

What should we do to fulfil our paramount duty of Christian hospitality, asks the Archbishop of Montreal. We should imitate the Good Samaritan and welcome those who are hungry, who are cold, in a word, those who are shelterless. And the archbishop added: Our country is so rich, so grand. For the development of our heritage those friendly people could help us, without any threat to our institutions and our traditions being thereby involved.

One last quotation which I take from the *Canadian Register* of January 18, 1947, gives the opinion of His Eminence James Cardinal McGuigan, on this important subject. He said:

(Text):

I warmly welcome Mrs. Roosevelt's plea that freedom-loving countries should do their share in affording sanctuary to those whose forced repatriation would mean their victimization for political and even for religious views.

During many centuries when the administration of justice was harsh and uncertain the Catholic church permitted her now sacred buildings to be used for sanctuary, even sometimes by the guilty. Today it is not only the sentiments of mercy, but the obligations of justice and humanity that compel us, following the example of our Holy Father the Pope to lift up our voices in favour of a policy of international co-operation and hospitality to meet the urgent needs of many thousands of displaced persons whose plight is desperate.

The *Canadian Register* adds:

This statement of Cardinal McGuigan echoed and endorsed by seven archbishops across Canada should end once and for all the mistaken impression that the Catholics of this country are opposed to immigration. The truth is the opposite, for the very principles and doctrines of Christianity impel Catholics to desire that their country shall do its full share in offering sanctuary to those who are homeless and countryless. All men are brothers in Christ and sons of God, and the hearts of all true Christians will go out toward their destitute and despairing brethren of no matter what race or church affiliation.

(Translation):

Mr. Speaker, I wish to add only a few words. With your consent and that of the hon. members, I should like to go on.

Some hon. MEMBERS: Hear, hear!

Mr. LANGLOIS: Needless to say I prefer the attitude taken by the religious leaders whom I have just quoted to that of our blatant patriot from Quebec.

Mr. Chaloult ended his long list of alleged injustices by the dominion government against French Canadians by stating that we had only one deputy minister in the whole federal administration. Mr. Chaloult is unaware or forgets that there are French Canadians with the title of deputy minister or the equivalent at the head of the following departments or departmental branches in Ottawa:

Transport, Mr. Brassard; Agriculture, Mr. Bouchard; Justice, Mr. Stein; National Defence, Mr. C. Mathieu; External Affairs, Mr. Beaudry; Labour, Mr. Ranger; Chief Electoral Officer, Mr. Castonguay; King's Printer, Mr. Cloutier; Clerk of the House, Dr. Beauchesne; Librarian, Mr. Desrochers; Archives, Mr. Lanctôt; Civil Service Commission, Mr. Thivierge. Others could be added.

Moreover, Mr. Chaloult is quite unaware that we also have in the diplomatic service the following French Canadians with the title of ambassadors or ministers:

The Honourable Victor Doré, Brussels; Chas. Hébert, Havana; Laureys, Denmark; Maurice Pope, Berlin; LaFlèche, Athens; Turgeon, Dublin; Desy, Rome; Dupuy, Holland; Vaillancourt, Yugoslavia, and finally, as consul general in Chicago, Mr. Turcotte.

Mr. Chaloult forgets also that we have in the government of our country three parliamentary assistants out of a total of nine, that is in the departments of Labour, National Defence and Finance.

Finally, he forgets that out of eighteen members of the cabinet, six are French Canadians, namely the ministers of External Affairs and Public Works, the Postmaster General, the Minister of Transport, the Solicitor General and the minister of National Health and Welfare.

Mr. Chaloult therefore does not tell the truth and I see no reason to bring evidence in order to prove that the rest of his statement is not according to facts.

As to his insults against Sir Wilfrid Laurier, I shall not dwell upon them. Suffice it to say that they come from a man who, a certain day, has tried to blacken his own constituents. I have nothing to add to the judgment passed by history on Sir Wilfrid Laurier but I may say to the man who has tried to tarnish his memory that he has nothing to fear from history. His name will not be mentioned.

Mr. Chaloult concluded his remarks by an appeal to members of the Union Nationale, of the Bloc Populaire and Social Crediters to join their forces against the Liberals in the province of Quebec. The same appeal had come a few days before from a too well known Ontario pastor, in the *Gospel Witness* of February 19.

Obviously they both have a common objective. They wish to cripple a man who brought

so much credit upon us all since he began his political career, the right hon. minister of External Affairs.

Some hon. MEMBERS: Hear, hear.

Mr. LANGLOIS: Thus by pure accident, the Quebec pastor and the Ontario pastor found an identical providential mission.

Mr. SPEAKER: I regret to interrupt the hon. member, but he has already spoken forty minutes and the house graciously granted him a few additional minutes to conclude his speech. Although the hon. member has been speaking for ten minutes since, he is still bringing forth new arguments.

(Text):

Mr. LANGLOIS: If hon. members will allow me, I shall finish in two minutes.

Some hon. MEMBERS: Go ahead.

(Translation):

Mr. LANGLOIS: I must, however, assure my English speaking friends that the second has no more importance than the first in his province. Mr. Chaloult and Mr. Duplessis are therefore organizing another masquerade for for the coming elections.

Some hon. MEMBERS: Hear, hear!

Mr. LANGLOIS: We will surely see all hues and colours, because it must be recalled that Mr. Chaloult's appeal for the formation of a new kind of Quebec underground came but a few days after the visit to Quebec of the Premier of Ontario, Mr. Drew. It will undoubtedly be said that Mr. Drew's visit and Mr. Chaloult's subsequent statement have no connection, but the people will soon find out differently. It is my duty to uncover the plot that is being hatched in my province and to point out the object of Mr. Drew's visit to Quebec. The trip was obviously timed a few days before Mr. Chaloult's statement so that the representative of the nation's big financial interests could make the petty arrangements required to cover the expenses entailed by this masquerade. Mr. Chaloult therefore blundered as did a Conservative party organizer during the last dominion election campaign when the latter unmasked the independent candidates by informing the press that they were really Conservative nominees. Once again, Mr. Chaloult and his leader, Mr. Duplessis, have shown that they truly fear the enormous ascendancy the Right Hon. Secretary of State for External Affairs is gaining not only over the people of his own province but over the population of the whole of Canada. They fear this man whom one of our distinguished bishops of the Province of Quebec recently cited as an example to the youth of his diocese and of the whole province.

I am speaking on behalf of all my colleagues from Quebec on this side of the house when I say that we do not fear any attacks from the Drew-Duplessis-Chaloult organization against the Secretary of State for External Affairs. I have no hesitation in telling these gentlemen, on behalf of my colleagues, that if they want a fight, we are ready for them, either in the federal or the provincial field.

I must assure the Secretary of State for External Affairs that he may rely on the full co-operation of all Quebec members. May I say to him in their name: We Canadians from Quebec are proud to have you as our leader, we are proud to fight by your side and we are sure of victory because we know that our province needs you, that our country needs you, that the whole world needs you.

Some hon. MEMBERS: Hear, hear.

(Text):

Mr. GEORGE BLACK (Yukon): Mr. Speaker, although I must admit that I did not follow much of what was said by the hon. member who preceded me, I promise you that I shall not impose on your good nature, or upon the good nature of members of the house, as he has done.

Speaking as the representative of Yukon Territory, I would remind the house that Yukon is the only federal territory that has a representative in parliament. The government of Yukon is administered by a controller. He is not an elected officer; he is appointed by the governor in council of the dominion or, in other words, by the dominion government. The controller operates directly under the authority of the Department of Mines and Resources; his minister is the Minister of Mines and Resources (Mr. Glen).

Yukon was originally part of the Northwest Territories; but in 1896, because of the importance of that part of the Northwest Territories and the great wealth that was coming out from the gold mines, this parliament by an act called the Yukon Act, created Yukon Territory. That Yukon Act is the constitution of Yukon. Among other things that constitution provides for a local legislature known as the Yukon council which has relatively the same powers as the legislature of a province. It can legislate with respect to all

matters concerning property and civil rights, and anyone who knows anything of law knows the wide range of subjects those words cover.

In Yukon, as in the provinces and as here in the dominion, legislation can become law only with the assent of the controller in the case of Yukon, of the lieutenant-governor in the case of a province and of the governor general in the case of the dominion. This assent is seldom withheld, but to the disappointment of the electors and people of Yukon the assent of the controller was withheld in connection with legislation passed in recent years. That assent was withheld not because the legislation was ultra vires or beyond the powers of the council to enact; it was withheld simply because it did not suit the wishes of the controller or conform to his whims. He reserved his assent to legislation which was intended to break the bonds of dictatorship and loosen the stranglehold which an official of the federal government had on the public of that territory. Rather than see that power reduced, rather than see that power controlled, assent was withheld and the governor in council promptly disallowed the legislation.

Yukon has had a representative in parliament for forty-six years, and I would call the attention of hon. members to the fact that in forty-two years out of those forty-six Yukon has been represented by a supporter of the Conservative party. Two Liberal members represented the territory for two years each, or a total of four years. Why have the people of Yukon for the most part supported members of the opposition? It is not because the great majority were supporters of the Conservative party. Conservative candidates in Yukon, including myself, would not have been elected had it not been for the support received from supporters of the Liberal party.

Why have the Liberals not supported their own party? It is because they resent the type of government which that party has given the territory. The two elections which Liberal candidates did win were won only by gross fraud, by the padding of voters' lists and the stuffing of ballot boxes. I know that happened, because I was there. Any oldtimer will agree with me that that is one of the reasons they have never been able to elect a member.

In those days the mining laws of Yukon were enacted by orders in council passed here in Ottawa by people who were thousands of miles away from the mines and who knew nothing about mining. Those laws were subject to secret changes overnight. The mining law would be something today and something else tomorrow, and the miners up there would not know what it was. I have seen miles of valuable mining claims banned from staking or recording by orders in council passed here in Ottawa. Then another order in council would be passed throwing the land open for locating at midnight of a certain day. That word would get up there to the supporters of the government, but the general public would not know anything about it until all the valuable mining property had been staked.

That is one reason why they do not send Liberal members to parliament. You would think that experience would teach the government that if they want the support, the respect and the friendship of the people of Yukon they would mend their ways. But what happened only at the last session of this parliament? At that time a grievous wrong was done to the people of Yukon and the people of the adjoining Mackenzie district. By the Redistribution Act the district of Mackenzie was added to Yukon, notwithstanding the unanimous protests by the people of that district. They did not want it.

How did it start? I have my own idea and I shall be glad to be corrected if I am wrong. However, I know I am not. The Minister of Mines and Resources went up to Yellowknife, that important mining camp in the district of Mackenzie, along with some of his officials. The people there told him that they had not sufficient population to have a representative in parliament, but they claimed also that Yukon Territory had never had sufficient population to entitle it to representation in parliament, that it was only because of its importance as a producer of wealth that representation was given. The people of Yellowknife said, "Why not give us similar representation?" They were encouraged by the Minister of Mines and Resources to expect that.

But what did they get? They got tied onto Yukon, something which they did not want. They petitioned parliament and they wrote and telegraphed the minister to stop it. They told him that they would rather remain without representation that be tied onto Yukon, an impossible combination. They asked the Minister of Mines and Resources for bread and he gave them a stone. Those people resent that. This government and the minister will find how they resent it at the next general election. The government will not get support for their party by adopting tactics like that. You cannot expect people to be grateful after that kind of treatment.

That wrong could be righted if the government wished to do it. The Minister of Mines and Resources could say to his colleagues in the cabinet, "We had better amend the act

and do away with the addition of Mackenzie to Yukon". They could put that amendment through parliament and give those people what they want and what they should have. It is not too late to right the wrong that has been done.

What treatment have the veterans in Yukon had? It is nothing for any government to be proud of. This is the third session since the war in which I have called the attention of the Department of Veterans Affairs and the government and this house to the shabby treatment the veterans of Yukon are getting. For some reason or another the officials charged with the administration of the Veterans Land Act ruled that that act does not apply to Yukon. In the debate on the Veterans Land Act on August 1, 1946, I quoted section 7 of the act, which can be found at page 4214 of *Hansard*:

The director may, for the purposes of this act,

(a) purchase by agreement, at prices which to him shall seem reasonable, or

(b) in any other manner acquire by consent or agreement from His Majesty in the right of Canada or from any province or municipal authority, or from any person, firm or corporation, such lands and buildings situate in any part of Canada and such other property including building materials, live stock, farm equipment and commercial fishing equipment as the director may deem necessary.

Surely that is broad enough language and wide enough wording to include Yukon when it says, "any part of Canada." You cannot imagine any informed official so ignorant as to know so little geography as not to know that Yukon is in Canada. The act says "any part of Canada", and yet they do not apply it to the Yukon. They will not apply it. In order that all doubt might be removed and the act applied to Yukon I then moved this amendment; before coming into the house that afternoon I submitted it to the minister at the head of the department and he agreed to accept it. This is the amendment:

That there be added to section 35 the following:

"The director with the approval of the minister may acquire, convey, transfer, agree to acquire, convey, transfer land in Yukon territory including land within Dawson, Whitehorse and Mayo and subject to the provisions of this act and regulations made under this act may grant to veterans residing in Yukon amounts not exceeding the amount stated in subsection 3 of section 35 of this act, such grants to be used only for the purposes enumerated in subsection 4 of section 35 of this act."

[Mr. Black (Yukon).]

I said:

I think that will set at rest any doubts which the administrators of the act, and perhaps the minister, may have.

Then the minister, now gone to that other place for his long rest, in his own polite way said:

May I thank the hon. member for Yukon for his customary courteous presentation of his argument. He was kind enough to send me notice of his amendment late this afternoon. It is quite true that the department has been giving extensive study to the situation in Yukon. I think, however, it is only fair to the administration that my colleagues should have an opportunity for further study of the situation. I promise the hon. member that if he will be kind enough not to press the amendment tonight we will go most carefully into the situation which he has so clearly and, to my mind, convincingly presented. It does mean, though, a departure in principle from the Veterans Land Act. It means that the grant of $2,320 is made available for urban housing in Yukon where, as my hon. friend and I know, there are not extensive tracts of land available for settlement.

As a matter of fact, that would not be a departure in principle from the act; it would be a departure from the method of administration. Yukon is not urban. The whole of Yukon and all the settlements in it are rural, and it is a rural constituency in the election. The minister then said:

As my hon. friend and I know, there are not extensive tracts of land available for settlement—

In Yukon. I say there are extensive tracts of land on which to build dwellings in which to house all Yukon veterans who wish to take advantage of the act.

The minister said further:

If the house is so minded, we had hoped to get third reading of the bill tonight. I would give my hon. friend and his constituents through him the assurance that the suggestion he has made tonight will be given most careful consideration during the recess.

Well, he considered it until he ceased to be a member of the house. I brought it up again on March 10, 1947, and I shall not repeat it except to quote my closing remarks. Having quoted the act and advanced the rights of the veterans in Yukon, these were my last words at that session, as reported at page 1210 of *Hansard*:

I would regret to have to conclude that the reason why nothing has been done for the veterans in Yukon is the lack of interest on the part of the minister, notwithstanding his promised consideration.

Lack of interest is the whole thing. They are too far away from the government. They

have only one member to come here to bother them. There is no war on. These men are not so important to the government as they were a few years ago, and that brings to mind this rhyme of Kipling, in which he said:

For it's Tommy this, an' Tommy that, and "Chuck him out, the brute!"
But it's "Saviour of 'is country" when the guns begin to shoot;
An' it's Tommy this, an' Tommy that, an' anything you please:
An' Tommy ain't a bloomin' fool—you bet that Tommy sees!

The Tommies up in Yukon see this government; they see the unjust treatment or lack of treatment that they are getting from it, and they resent the studied callous neglect of their problems. They do not ask this government or any minister of the government for favours; they ask only what the law allows them and the same treatment that veterans in other parts of Canada get. I say it is outrageous that they do not get it.

For the moment I shall refer to the Post Office Department. In the post office at Dawson the staff consists of three men, the postmaster and two assistants. They are all war veterans, splendid men, industrious and have always the best interests of the public at heart, no matter how inconvenient it may be to serve them. Of the government employees in Yukon the employees of the Post Office Department are the most poorly paid. Why that should be I do not know. The officials in other departments of the dominion government in Yukon are paid appropriate salaries and wages. It is reported to me that some of them are even over-staffed, but the employees of the Post Office Department are certainly underpaid. Take the post office building in the town of Whitehorse in Yukon. It is a disgrace to any government; it is properly described as a shack, almost tumbling down. The people of the town are ashamed to have visitors see it as the federal building in that town.

A couple of years ago the Postmaster General had blueprints prepared showing a magnificent structure which was to be the federal building and house the post office. At this session I asked him when the building was to erected. He said, "Oh, not for some time to come, not until labour and building materials are available." Every hon. member knows that labour and building materials are available if they want them. Buildings are going up in that town by private enterprise. What is the reason this building is not being erected? This may not be an election year. If it turns out to be one they will probably start to erect the buildings, hoping to get votes in that way, but they cannot dangle a bait such as that before the people of Yukon; they are not for sale.

Another wrong that rankles and annoys the people of that territory is the administration of the Civil Service Superannuation Act. That is the act under which contributions are made by federal government employees to a fund to which the government also contributes to build up a pension fund, a superannuation fund. The act reads:

Every person to whom this part applies—

And it applies to all the federal employees in Yukon.

—shall by reservation from his salary contribute five per cent of such salary to the consolidated revenue fund.

What is "salary" as interpreted by the act? "The salary of a contributor means regular salary paid in respect of his services, together with the value of living and residential allowance." Both these items compose his salary or remuneration. When that act came into effect as long ago as 1924 it was put up to the Department of Justice to give an interpretation and to say whether a man getting a salary of, say $1,000, plus a living allowance of $1,500, must regard that $2,500 as his salary, as defined by the act, and pay five per cent on the $2,500 or only on the $1,000. The Department of Justice said that he must pay on the $2,500, and he paid it and was glad to pay.

Then the time came when a little group or coterie of employees left Yukon and went where they did not get a living allowance but a straight salary. They conceived the cunning idea of getting back the money that had gone into that superannuation fund; and—can you imagine this?—the Department of Justice swallowed itself, reversed its decision, and said that the living allowance was no part of the salary, and gave them back their five per cent from a fund they had no right to touch. After that they did not assess the continuing employees on anything but that part of their remuneration termed "salaries," and when those employees retired and were superannuated they received a much smaller pension than they would otherwise have got and which they would have gladly bought for themselves.

That is the interpretation put on that act by the department which has the administration of retiring salaries. But what interpretation does the Department of National Revenue put on it, where they reach out and take income tax? The whole sum of this man's pay is $1,000,

his salary, and his living allowance is $1,500. The total is properly and correctly, by that department, termed "income," and he pays income tax on it, whereas next door the other department says it is not income at all. Can you imagine such inconsistency between two departments of government working together? It is not salary for superannuation but it is salary for the collection of income tax. And then you wonder why this government is not popular with the people of Yukon, when it uses its own employees in that way.

That is not a worn-out grievance. It is true the act was passed in 1924; but it will be a wound, an unhealed sore, as long as the government has a federal employee in Yukon Territory. As I said before, one would think the government and the ministers would learn from experience. But what is happening now?

Here is one of the Yukon mining acts, an act that regulates the mining of lode gold, and it contains this provision:

78. The recorded owner of a mineral claim shall have a survey thereof made at his own expense by a duly qualified dominion land surveyor under instructions from the surveyor general within one year from the date upon which notification by the minister to do so may be sent to him.

2. Such notification shall not be given until the expiration of at least one year from the date upon which the claim was recorded.

3. If the survey is not made, and if the returns of such survey are not received and approved by the surveyor general within one year from the date of notification, the entry granted for the mineral claim shall be subject to immediate cancellation in the discretion of the minister.

That section is there in the act, passed by this parliament, but it was never intended that any minister should use it in that dictatorial way. There has not been a dominion land surveyor resident or practising in Yukon for the past ten years, and I doubt whether in the whole dominion there are 100 dominion land surveyors. The provinces own their own lands and have their own provincial surveyors, but a provincial land surveyor would not have authority in that territory. It would have to be done by a dominion land surveyor, and the minister has caused these notices to be sent to these claim owners under the threat that if they do not do as the notice requires then their claims are liable to cancellation at his whim.

Take the case of a claim where the prospective purchaser can come and say to the claim owner, "Have that claim surveyed, or we will drop the option, or you will lose the claim, and if you cannot afford to survey it we will have it surveyed and cut the price in half to you."

[Mr. Black (Yukon).]

This is the weapon which the ill-advised policy of the minister has put in the hands of the big fellow, to bully and bludgeon the little fellow, perhaps to break him, perhaps to ruin him. It should not be done, and I hope the minister will wake up to the wrong he is doing these people and call it off. That is another reason why the government is not popular in Yukon, and I think hon. members will agree that the government should not be popular under these circumstances.

Before I leave that, I do not want hon. members to think the people of Yukon are not alarmed at this latest manoeuvre of the minister of mines. Here is a telegram that has come to me from the telegraph office of Carmacks, Yukon Territory, under date of February 18:

We the undersigned prospectors are the original discoverers of all gold lode deposits found to date within the Mount Freegold and Nansen areas of Carmacks district. We hereby vigorously protest the authorization by the minister of mines of the issuing of notices to the recorded owners of quartz mining claims making imperative a survey by dominion land surveyor within one year from date of notification. Since 1940 in spite of depression, war and lack of governmental assistance of any nature whatsoever we have continued to develop our properties and we have collectively paid into the recorder's office in excess of $10,000 in recording and renewal fees alone. Placing of the Canadian dollar on a parity basis has put gold mining across Canada in the doldrums and has put the undersigned on the rocks. This action of the minister means certain ruin and irreparable loss to all the undersigned. Repeated appeals for improvement of the glorified moose trails called roads have been met with bureaucratic indifference and appeals for assistance in other ways have been answered by an eloquent silence. No surer method could be devised to drive the pioneer Yukon prospectors from the field than to enforce this ruling of the minister. Point out one single mining field in Yukon located by representatives of any mining or exploration company. Frequent requests have been made by pioneer prospectors that there be made available copper plaques to be affixed to claim stakes each plaque bearing a number, etc., duly recorded in the recorder's records thus providing a permanent reference for all. The action secured from the territorial government on these requests has been nil. The undersigned feel that a true expression of the opinion of all owners of mining claims should be arrived at through a plebiscite in Yukon before this ruling of the ministers is made effective thereby affording an example of democracy in action. Petitions of protest are being prepared through Yukon. (Sgd. W. J. Langham, E. J. Forrest, George Fairclough, P. F. Ruber, Angus McLeod, Wm. Forbes, Jack Carpenter, George McDada, Alf Brown, Orloff King, John Carlson, Frank Goulter, William Teare, Karl Paulsen, Gordon Dixon.

A plebiscite! They do not realize that the minister and the government apparently care

nothing at all for public opinion. To show that the minister knows, and his department knows, how difficult and, in fact, impossible it would be to have these surveys made within the time limit stipulated in these notices, I will turn to a pamphlet which his department has just issued on the Alaska highway, giving information, and very good information, as to the situation there. Listen to this section:

> Normally, public or crown lands in Yukon territory are disposed of by sale or by lease.
>
> At the present time, however, on account of lack of surveys, only "permission to occupy" is being given in the case of lands situated along the Alaska highway on which buildings are to be erected . . .

They cannot even get surveyors to survey their own property. How do they expect that to be done by these miners who are notified and threatened that if they do not do it within a year and have the survey accepted by the surveyor general, their claims will be cancelled?

Yukon is strictly a mining country. Gold was found there first in quantity on August 17, 1896, fifty-two years ago, and millions are still being produced. To date the production of minerals has been approximately as follows:

Gold	$300,000,000
Silver	25,000,000
Lead	5,000,000
Copper	3,000,000
	$333,000,000

Silver mining is just getting into its stride, and, in addition to that, $30,000,000 million of silver and lead produced, within the next few years production will be trebled and quadrupled. Yukon has valuable deposits of coal, but up to date coal has not been properly mined. Realizing the shortage of fuel there, one of the mining companies put up a proposition to the Minister of Reconstruction and Supply (Mr. Howe), who, from my experience of him, is a man of vision and of action, pointing out that they might not have funds enough to develop that coal commercially. The minister obtained particulars. He had his engineer go and look at the property. He discussed the matter with other ministers; he discussed it with me as the member representing Yukon, and he agreed to support that company with government funds until the mine came into production. I am happy to say that it is now in production and that the support which the minister offered will not be needed. They can get along under their own steam. But that incident showed vision and action on the part of the minister, and I only wish that another department I know of were under his management.

Yukon imports practically everything the people use. It produces such minerals as gold, silver, lead, copper and zinc. It imports food, clothing, tools, lumber, oil and gasoline. For over fifty years Yukon has been a splendid market for Canadian goods, and it will be for untold years to come. This dominion government gets a revenue on nearly every transaction that takes place in Yukon. It collects customs dues, excise tax, sales tax and income tax. In regard to many goods imported into Yukon on which duty and tax are paid, the taxes are paid outside Yukon, for which Yukon gets no credit. Ever since gold has been mined there, this government has collected a royalty on gold, not on the net output but on the gross output; to begin with, it was ten per cent of the gross output, then five per cent and now it is two and a half per cent. No matter how much a man loses in mining his gold, he pays the government a royalty on what he takes out. In mining other minerals he pays a tax on profits; but not so on gold. Gold pays whether it wins or loses.

During the war Yukon surrendered to the dominion government, as did the provinces, the right to collect income tax; and in compensation for that, the government made grants to the provinces and for a few years made a grant to Yukon. But after two or three years they discontinued this grant. I asked them why. Just listen to the answer! Because Yukon made a profit on selling government liquor. But the profit for the territorial government was not as much as for the federal government; where Yukon made a few thousands of dollars the provinces made millions, and the federal grants to the provinces were not discontinued. Under an act passed last session the provinces get fifty per cent of the income tax collected from companies that generate electricity for sale. We have two companies generating electrical power for sale in Yukon, and Yukon does not get one cent of their income tax. It all goes to the dominion government. Those matters mount up, I think, to convincing reasons for resentment on the part of those people in the far north.

Yukon gets no adequate return for the revenue reaped from it by the dominion government. Yukon's greatest need today is roads by means of which to develop that vast country. Dawson City is probably the oldest producing placer gold mining camp in the world, and it is not by any means a ghost town. Gold is being taken out of there by the millions every year and will be for years to come, long after we have gone. In winter the town of Dawson is isolated from the rest of the

world, except for aeroplane travel. There was a road, but the government abandoned it and let it go back to bush; I do not know why. In the winter, vegetables and fruit, and all perishables that cannot be kept in storage throughout the winter, have to be taken in to these people at Dawson by air express and at an enormous cost for transportation. A road that is needed—and I hope the government will see its way clear to have items in the estimates this year for it—is a road from the silver camp at Mayo to the port of Minto on Yukon river, so that supplies can go into these silver mining camps at all seasons of the year and so that their ore and concentrates can go out to the smelters. The reason I say that is that the only means of transportation into that camp —and you cannot haul in ore and all the supplies that are needed in mining by means of aeroplane—is by river in the summer; and it is a temperamental river that sometimes goes almost dry. As everyone knows, you cannot run a boat on dry land; you must have water. So the government should put in this road which would give transportation at all seasons of the year. Their revenue from these mines and the importance of the mining are sufficient to justify the expenditure.

The deputy minister of mines and resources honoured Yukon with a visit last summer. He looked into the problems of the people. He discussed them with the controller; he discussed them with members of Yukon council, and he agreed that there should be a firm agreement between Yukon Territory and the dominion government for a period of years providing a fixed revenue so that the territory might plan its expenditures, in the way of developments, and know it would have the money to carry them out.

I hope that visit of the deputy minister who, I am happy to say, shows an active interest in the affairs of the territory and its development, and the work he is doing on behalf of that territory will result in such an agreement being arrived at, and that Yukon will not have to come to Ottawa year after year as a mendicant begging alms, which is the position today and always has been, but that it will receive a fair return for the revenue it provides to the federal government.

(Translation):

Mr. MARCEL BOIVIN (Shefford): Mr. Speaker, many hon. members, during the current session, have taken the opportunity afforded by the debate on the address to express their views relative to the welfare of the country and at the same time they have submitted pressing requirements of their constituencies.

[Mr. Black (Yukon).]

I will admit I have a similar purpose in mind. However, before I deal with these two points, I wish to abide by the old parliamentary tradition and offer my sincere congratulations to the mover of the address. I will only say this: he is a master and as such he has acted in a masterly manner. I confess, Mr. Speaker, that my colleague and friend, my neighbour in this house, the hon. member for Lake St. John-Roberval (Mr. Dion) has given such a good historical outline of his constituency and present circumstances relevant thereto, he has made us so eager to see it that many from his group in the far right of this house are already planning to visit his district in the near future.

To the seconder, I offer my sincere congratulations, first, on account of his brilliant victory in the Halifax by-election and then on the manner in which he discharged his duty. We all agree, I am sure, that it was for him a delicate task to address himself to this house such a short while after his arrival. I may add that the tact he showed in thanking the proposer in his own tongue pleased all the French-speaking members of this house. He may be sure that those sentiments he expressed are reciprocated by all of us. Let us hope that they are shared by everyone here, so that we may, in this way, achieve that unity which has so long been wished for.

I would like to congratulate the Prime Minister (Mr. Mackenzie King) in the name of those whom I represent, and in my own, on the great honour conferred upon him by His Majesty in granting him the Order of Merit, on his recent visit to England. Let us hope that the wish expressed on January 29 by the hon. member from Bonaventure (Mr. Arsenault) may be fulfilled and that the Prime Minister may achieve this "honour which would fittingly crown his career" and of which every Canadian, regardless of political affiliation, would certainly be proud.

Mr. Speaker, I could also sketch the history of my constituency and of its county seat, Waterloo, or of its chief industrial centre, Granby. If I were to choose to recount the history of the latter I would have to go back to the political history of 16th century England. We would find there that the origin of the name "Granby" is linked with that of a noble family, the Manners. Subsequently, as we would see, George III, ordered by a royal decree, in 1801, that the then township be known as Granby. It became a village in 1859 and a city in 1916. The present session, however, threatens to be quite long. I will leave this work of historical research to a historical society which has just recently been

formed in that city and which may in due course publish the history of what has become one of the most prosperous industrial centres of Canada.

At the beginning of this session, the leader of the opposition (Mr. Bracken) said:

We are now meeting at a time when this country is going through a critical period of her economic history.

You will agree with me, Mr. Speaker, that every country, after a war, finds itself in such a situation. That was the chief reason why immediately after victory in Europe, the Canadian people again placed their confidence in the Right Hon. William Lyon Mackenzie King. That is all the more remarkable if we consider that after both wars, the first as well as the second, the most powerful and strongest statesmen who had succeeded in leading their nation to victory, for instance in England Lloyd George and later Churchill and in this country the leader of the Conservative party, in 1921, could not hold power in spite of all the prestige they had gained.

Moreover the Canadian people wanted thereby to express in a tangible way their admiration for the prime minister's intelligent and skilful leadership shown during the war to annihilate the subversive principles of nazism and fascism. Yes, Mr. Speaker, the Canadian people did want to be led, in these difficult years, by a government gifted with foresight which, despite criticisms, would put Canada in a better position than any other country in the world. I hope the hon. members opposite will not forget their leader's quotation and will thus co-operate in a constructive way towards Canada's progress. I also hope that some of them will bear in mind that a member does not enhance his prestige by playing party politics and repeatedly uttering non-essential statements in this house, when such utterances entail expenses to the state.

Many hon. MEMBERS: Hear, hear!

Mr. BOIVIN: To follow up the remarks I made at the outset, Mr. Speaker, I wish to thank the Right Hon. the Minister of Trade and Commerce (Mr. Howe) for his co-operation at the time house building was requested for veterans in Granby. There was a rumour to the effect that we, in Ottawa, had stalled the project. May I quote, however, from an open letter forwarded by the Canadian Legion, housing division, and published on March 30, 1947, in a weekly newspaper of my constituency, *The Granby Leader Mail.* The letter was entitled "Open Letter re Veterans Housing Shows lack of Co-operation here" and I quote:

(Text):

"The city council passed a resolution on August 19 asking the federal government for houses for veterans. When the federal government offered to build at least 50 houses, the city refused to co-operate."

(Translation):

The letter, Mr. Speaker, was signed by the Canadian Legion of Granby.

I wish also to thank him for having dispatched an engineer to revise and inspect our aqueduct system. Through his action, Granby will receive a 2,000,000-gallon pump within the next few days.

It might be well to add that this pump had been purchased by the city of Granby upon being assured delivery within 16 or 20 weeks. The new apparatus will automatically protect us from the immediate danger of fire and will, for the present at least, ease the water supply situation.

I would like to repeat a request I had made to the then minister of finance in 1946 and which I now make to his successor (Mr. Abbott). Since, at that time, we had just emerged from a world war and the repatriation of our soldiers had just begun, I understood that the then minister of finance was in a rather difficult position and could hardly be expected to change his budget. Last year I repeated my request, asking for a tax exemption of $1,200 for a single man and $2,000 for a married man. At that time I stated figures in support of my argument, in the form of a budget for each of them, proving that even assuming that these exemptions were granted, both the single and the married man, the cost of living being what it was then, would be unable to live within their means.

Since the budgets of married and single men which I quoted last year are already recorded in *Hansard* I shall merely remind you of what I said last year, namely that the deficits which were $99 and $215 respectively will be much greater this year. I therefore ask the hon. Minister of Finance, before he introduces his budget, to grant an exemption of $1,200 to single and $2,000 to married men, and also, if possible, a basic tax reduction as considerable as the one given last year.

You will perhaps think, Mr. Speaker, that I am asking much for wage-earners, but in view of the financial surplus of the current year, I am convinced that this is feasible.

I should like now to thank this same minister for having maintained rent controls up to March 1949, and I hope the order in council to this effect will not be amended, because the fate of thousands of tenants would be lamentable, as they are, for the most part, wage-earners. We have deprived them of their money in order to maintain peace and harmony. In return, it is only fair and reasonable that we leave them their housing accommodation, at least until a more favourable date, so that they may, when this order in council is repealed, find suitable quarters at a moderate price.

I should also like to call to your attention, Mr. Speaker, a question which is being much discussed throughout the country right now, —I mean immigration. No doubt, because of the great number of unemployed, there is a disposition to talk all the more about it. I am willing to admit that this country comprises fairly large unsettled areas which could accommodate several thousand immigrants and that an excellent way to increase our population would be to entrust them with the development of our natural resources. We therefore have an excellent opportunity to increase our population by giving them an interest in the development of our national resources. But what means have we to say that these new citizens brought in from outside are going to stay in the employment assigned to them? None whatever. I sincerely believe that they will avail themselves of the first opportunity to move into industrial centres, following the example set in the past by our own fellow citizens. Already, too many of our cities and towns are overcrowded and the coming of these immigrants will inevitably add to the unemployment and the hardships of our own people. It would be too long for me to discuss the international situation. Hon. members will admit, however, that it is none too bright. The inspection of immigrants in peace time, no matter how careful it may be, never affords complete protection, as was evidenced last year. It is up to us to take the necessary precautions and it is far better not to go too fast on a road strewn with unknown obstacles.

Mr. Speaker, the constituency I have the honour to represent in this house is just about equally divided among farmers and industrial workers. Out of a population of some 38,000 people, we have 16,059 farmers.

In previous speeches, I had the honour of informing you of the development of some of our towns. Since then, even in the smallest municipalities, prosperous industries have loomed up and continue to expand, but that does not prevent us from noting the increasing importance of agriculture in our constituency. Before resuming my seat, I wish to say a few words on that subject.

On account of its geographical position, its climate and the nature of its soil, Shefford county is well suited to mixed farming, and stock raising, the basis of the industry, is successful due to those most favourable conditions. Just a glance at statistics, which would be too long to quote here in detail, will convince hon. members. In my constituency, there are 2,386 farms, where breeders raise 48,000 head of cattle, including 30,000 milch cows.

According to official figures, in 1946, the stock breeders as a subsidiary undertaking produced 42,000 hogs and over 260,000 fowl. Stock raising occupies an important place in our county because conditions are ideal for that venture.

Incidentally, I might add that the recent price increase authorized with respect to pork helped our farmers who were producing at a loss. Now, if only the price of mash were slightly reduced, production would forge ahead to the benefit of breeders and consumers.

Shefford also boasts of wide stretches of pasture ground which frequently cover anywhere from 50 per cent to 60 per cent of the serviceable area of our farms. These conditions prompted our farmers to develop the dairy industry which has become the main agricultural interest in my constituency. I do not hesitate to add that milk and butter from Shefford rank among the most important in the province as far as quantity is concerned.

Frankly, I was not surprised to learn, a few years ago, that farmers of my constituency had sought and found the best means of making this industry as profitable as possible. Thanks to their initiative, we now find in Granby an organization with a membership of some 1,200 farmers who launched a specialized industry, that of powdered milk. I know that this industry and others of the same type throughout the country depend on the shipping of at least a part of their production. They need help. I hope that they may count, as a result, on the co-operation of the department concerned in securing permits from Ottawa.

I am in complete agreement with the farmers of Shefford, Mr. Speaker, as to the necessity of supplying our domestic market first. Nobody in my county would like to see

the workers of our towns or any other class of citizens suffer from the lack of bread or butter. But you will admit nevertheless that it is our duty to maintain a good market for our farm products. While we must strive to meet local demand, it is most important that we do not allow this market to reach the saturation point.

Under normal conditions, our dairy production has been equal to our needs for many years, and in order to increase it, the establishment I have just mentioned has secured the services of an expert who has the confidence of the farmers and has justified that confidence by increasing that industry's production within a very short period. That industry therefore took on added importance. Hon. members will admit that due to a late season and a most unusual drought during the summer, our 1947 crop has been a failure. Yet, we experienced no milk or butter shortage.

Incidentally, may I say that I would be sorry should the production of margarine be allowed in Canada. I intend to prove that we have in this country enough butterfat to satisfy national demand. Shefford county alone produced in 1947 an estimated quantity of 125 million pounds of milk. The powdered milk industry has used only 36 million of these and even in 1948 when it will need 50 million pounds there will be left a balance of 75 million pounds, without taking into account the already noticeable increase in production. Because of these factors, the farmers of my constituency in their own interest, of course, but also in the general interest of our Canadian economy have decided to fulfil a patriotic duty by varying their production in order to stabilize the market and avoid surplus production.

I repeat, Mr. Speaker, that it was for the common good that the farmers acted that way. We should congratulate them and help them. I urge the government to revise the matter of export permits, which is most important to agriculture. Such a step would be in the general interest, because the farmer's prosperity is the merchant's wealth, according to an old saying.

Mr. GAUTHIER (Portneuf): Hear, hear.

Mr. BOIVIN: This matter is not only important to my constituents but to all Canadian farmers, because, as has been stated previously, small industries of that kind are to be found everywhere in the country.

I would like to see stock breeding become the basis of our agricultural industry in eastern Canada, as the whole of our grass producing country would benefit. From a logical point of view that is the course we should take. The western provinces can supply us with the grain we need, but on the other hand we must help the western farmers and enable them to sell the surplus of their products on foreign markets, because that surplus would only lower prices and discourage that splendid movement which will not only permit agriculture to subsist, but will make for its progress.

Harmony between the various branches of agriculture is essential. Dairy farming is the basis of the industry, as it supports the production of hogs and poultry, which are needed to fulfil our agreements with Great Britain.

Now, Mr. Speaker, would it not be in order to consider how important it is to help those industries whose object is, I believe, to promote the development of basic agricultural production in this country. In fact, powdered milk has the additional advantage of furthering the improvement of hog and poultry breeding and helping supply Canadian consumers with essential commodities such as butter and cheese. Powdered milk also prevents overstocking of the market since it is in great demand abroad. Exports of this commodity therefore help maintain the price levels of our dairy products at home. Thanks to the information supplied by the wonderful organization functioning on behalf of poor children in Europe and to the particulars furnished by an official of this industry in my constituency who has just returned from Europe, we know the needs of the countries that were devastated by war. Would it not be a charitable deed to come to the help of these stricken people? To that end, we must promote exports of this commodity on the largest possible scale.

In concluding, may I repeat, Mr. Speaker, that the farmers of my constituency, as all other farmers who have established this industry in other parts of Canada, have broken

new ground in this field not only in their own but in the public interest. I believe, Mr. Speaker, that they deserve our encouragement.

(Text):

On motion of Mr. Blair the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. FOURNIER (Hull) moved the adjournment of the house. He said: Tomorrow we will continue the debate.

Motion agreed to and the house adjourned at 10.55 p.m.

HOUSE OF COMMONS

Tuesday, March 2, 1948

The house met at three o'clock.

HONG KONG

LETTER FROM MR. DREW TO PRIME MINISTER—REFERENCE TO PRESS REPORT OF MARCH 1

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I rise to a question of privilege. The question of privilege relates to the publication in the Ottawa *Evening Citizen* of yesterday, March 1, 1948, of what purports to be a series of quotations from a letter which Mr. George A. Drew addressed to me on July 11, 1942, respecting the Hong Kong inquiry.

The press report, apart from other allegations, contains certain statements respecting myself as Prime Minister which are not in accord with the facts. With respect to Hong Kong, it is in effect alleged that after the government of Japan changed on October 16, 1941, and before the expedition sailed on October 27, I received messages from the United Kingdom government in the nature of the most complete warning of the probability of early hostilities. Not only is such a statement not correct, but the fact is that both before and after the expedition sailed and, indeed, until the very eve of the Japanese attack, such information as I received from the British authorities was to the effect that an early attack upon Hong Kong was not anticipated.

In my opinion, such information as the Canadian government received, at the time, from the British authorities is in complete accord with the finding of the commissioner, Chief Justice Duff, in his report, namely, that "the best informed opinion available to the Canadian authorities was that hostilities would not arise in the near future."

Mr. JOHN BRACKEN (Leader of the Opposition): I am sure the house has listened with interest to the comment of the Prime Minister on the report that appeared in at least two papers yesterday. The house was expecting a statement such as the Prime Minister has given. I wish now to ask this question. In view of the state of the public mind with respect to this matter—

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Order.

Mr. BRACKEN: In view of the state of the public mind with respect to this matter, will the Prime Minister not now reconsider his decision with respect to making available in full the letter which has given occasion to so much discussion in the press and outside?

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I rise to a question of privilege which affects every member of the House of Commons. It is this. Last night we read in two Ottawa newspapers, perhaps not the whole but a considerable portion of a letter which we have sought to get in this House of Commons now for a matter of weeks.

Mr. CRUICKSHANK: You have a copy of it.

Mr. SMITH (Calgary West): I have not a copy of it.

Mr. CRUICKSHANK: Your party has.

Mr. SMITH (Calgary West): I will speak for myself; you look after yourself. Why should this House of Commons be treated by this government with contempt when they will not give us a letter which the general public already has? That is my question.

Mr. J. G. DIEFENBAKER (Lake Centre): I too, Mr. Speaker, rise to a question of privilege arising out of the publication of the excerpts in last night's Ottawa *Citizen*. I am not condemning the newspaper for doing this, but my point of privilege is that the publication of these letters indicates that newspapers can publish what we in parliament are denied the right to see or discuss. This is a matter which affects our privileges. It is no longer a question merely of Mr. Drew and his relationship to this matter. It is a question whether or not parliament shall be outraged or circumvented by statements, made in answer to a request for the tabling of this correspondence, which have not been in accordance with the facts. According to last night's paper—

Mr. SPEAKER: Order. The hon. member understands perfectly well that it is against the rules to enter into a debate on this matter, because there is nothing before the house.

Mr. CASSELMAN: It is a question of privilege.

Mr. SPEAKER: It is the right of the hon. member to rise to a question of privilege, but I would ask him to state his question of privilege and be as brief as possible.

Mr. REID: Who gave the material to the paper if the hon. member did not? Why does he not publish it all?

Mr. DIEFENBAKER: My point of privilege is this, Mr. Speaker. The Prime Minister said that the reason these letters could not be produced to parliament was that it would result in the revelation of ciphers.

Mr. CLAXTON: That was never given at all.

Mr. BRADETTE: Let us get on with the business of the house.

Mr. SPEAKER: The hon. member will understand the difficult position in which the Speaker is placed. I have to ask hon. members to abide by the rules, but at the same time I have to protect freedom of speech. Actually there is nothing before the house. The hon. member knows perfectly well that there is a way in which he can bring about a debate in respect to a matter which interests him, and that is through a motion. If the hon. member feels that a certain matter should be discussed in the house, the proper way to have it discussed is through a motion, and on such a motion I would permit debate. Since I have not the right to do that at the moment, I must ask the hon. member to abide by the rules.

Mr. DIEFENBAKER: I was coming to my point of privilege. The only justification for denial to parliament of information that parliament is entitled to was the excuse that to produce it would reveal certain ciphers.

Some hon. MEMBERS: No, no.

Mr. DIEFENBAKER: I am stating my point of privilege.

Mr. SPEAKER: The hon. member is making a statement, not discussing a question of privilege.

Mr. CLAXTON: And he is making an inaccurate statement.

Mr. MACKENZIE KING: I have noticed that hon. gentlemen opposite, including the hon. gentleman who has just spoken, have tried to have it appear that the reason I gave for not agreeing to table the letter addressed by Mr. Drew to myself was the secrecy of certain ciphers or some decision that the British government had taken, apart from the usual reservation that the British government makes with respect to the publication of documents to which it possesses a certain right. The reason I gave to the house, and hon. members have only to look up *Hansard* to see it, as to why I was unwilling to table Mr. Drew's letter to me is that that letter contains references to certain communications that were produced before the commission and were produced only on the undertaking that those communications would not be made public, and because the British government is still unwilling that they should be made public. I communicated with the British government not to ask whether Mr. Drew's letter might be tabled; the government takes the full responsibility for not tabling Mr. Drew's letter. In taking that responsibility, I wished to be perfectly sure that I would not be breaking any pledge given to the British government at the time the secret telegrams were made available to the commission. The British government declines to allow publication of certain telegrams that were placed before the commission and were kept entirely secret, and to which no reference was to have been made. In a second request I asked if the British government would review their decision in that regard. I have received a reply that they have reconsidered it and they still decline to allow publication of those secret telegrams. Having regard to the obligation which this government is under to the British government, I am not going to break faith with the British government by tabling a letter which contains references to a communication to which no reference should have been made by anyone who was appearing before or with the commission.

Mr. DIEFENBAKER: Now that the Prime Minister has explained—

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Order.

Mr. DIEFENBAKER: —may I say that the Prime Minister has just done, Mr. Speaker, that which you a few minutes ago denied me the opportunity of doing.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: The hon. member should not reflect on the Speaker.

An hon. MEMBER: Withdraw.

Mr. SPEAKER: Order. The Prime Minister made a statement. The hon. member for Lake Centre rose to a question of privilege, and the Prime Minister felt that he should answer it. The hon. member knows perfectly well that he should not say anything which would give to the house or to the public the impression that I have been deliberately unfair in my rulings with regard to ministers of the crown and members of the opposition. He knows perfectly well that I am trying to do my duty and be fair to all hon. members.

Mr. DIEFENBAKER: Mr. Speaker—

Some hon. MEMBERS: Sit down.

Mr. CASSELMAN: Putting on the gag.

Mr. SPEAKER: Order.

Mr. BRADETTE: What a spectacle!

Mr. DIEFENBAKER: These interruptions have all the spontaneity of trained seals. What I intended to say—

Some hon. MEMBERS: Oh, oh.

Mr. BRADETTE: That remark was not very bright.

Mr. SPEAKER: Order.

Mr. DIEFENBAKER: What I intended to say was this. Parliament has no right to be gagged or stifled—

Some hon. MEMBERS: Oh, oh.

Mr. DIEFENBAKER: —when the matter is being discussed outside parliament.

An hon. MEMBER: Withdraw.

Some hon. MEMBERS: Sit down.

Mr. SPEAKER: Order.

Mr. G. R. PEARKES (Nanaimo): In view of the statement made this afternoon by the Prime Minister, would the Minister of National Defence (Mr. Claxton) like to withdraw the statement he made on February 26—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

Mr. PEARKES: On a question of privilege—

Mr. SPEAKER: Order. If the hon. member for Nanaimo has any question to direct to the minister I would ask him to wait until the orders of the day are called.

Mr. PEARKES: On a question of privilege, I cannot understand the conflicting statements made by the Prime Minister and the Minister of National Defence.

Sone hon. MEMBERS: Order.

Mr. SPEAKER: Order. I would call attention to a very important point. Hon. members will understand that the Speaker has a duty to perform in this house; that is, to see that hon. members abide by the rules. When hon. members know perfectly well they have no question of privilege they should not rise and make statements to create disorder in the house.

On the orders of the day:

Hon. W. EARL ROWE (Dufferin-Simcoe): In view of the statement made yesterday in the press and the recent statement by the Prime Minister I should like to ask the right hon. gentleman if the Drew letter was ever submitted to the British government, since he states the British government asked him not to reveal it.

Mr. MACKENZIE KING: I have never said the British government had refused to allow the Drew letter to be tabled. The Drew letter was not referred to the British government at all. That is the responsibility of this government; but the responsibility of this government also extends to making sure that in tabling any document asked for in this house no breach occurs of an undertaking that has been given by this government to another government in reference to the non-tabling of communications from that government.

Mr. ROWE: Then I would like to ask the Prime Minister another question. Did he not receive a cablegram from Britain three days before the Hong Kong expedition left this country, stating that conditions in the Pacific had altered?

Mr. MACKENZIE KING: I have said all I intend to say on this matter. The evidence will be produced.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: I am not here for the amusement of hon. gentlemen opposite. I am here to see that parliamentary rules and practices are observed, and I intend to do so.

Mr. ROWE: Mr. Speaker—

Mr. SPEAKER: Order.

Mr. ROWE: I might add that I am here to see that the public get the truth.

[*Later:*]

Mr. PEARKES: I want to direct a question to the Minister of National Defence. On February 26, at page 1639 of *Hansard,* he said:

It is no secret that the plan envisaged in garrisoning Hong Kong was that it might be held for a number of months, at the end of which—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. If the hon. member wishes to direct a question to the Minister of National Defence he should do so, and not give information.

Mr. PEARKES: My question is, did the Minister of National Defence envisage the holding of Hong Kong for a period of some months, until such time as United States and British naval forces could relieve the troops there, and were those hopes dashed—

Mr. SPEAKER: Order. The hon. gentleman may put his question on the order paper.

Some hon. MEMBERS: Answer! Answer!

Mr. SPEAKER: Order. I enjoy very much the good humour shown on one side of the house, but hon. members know perfectly well that while it is their privilege to direct questions to the ministers it is also the privilege of the ministers not to answer them if they do not wish to do so.

Mr. L. E. BAKER (Shelburne-Yarmouth-Clare): I rise to a question of privilege. As a member of parliament I want to see us get ahead with the business of the house. I think this George Drew letter is being given much more importance than it is worth. I say—

Some hon. MEMBERS: Hear, hear.

Some hon. MEMBERS: Oh, oh.

Some hon. MEMBERS: Order.

(*Note:* Owing to the noise in the chamber the remainder of the remarks of the hon. member could not be heard.)

REPORT OF COMMITTEE

Second report of joint committee on the Indian Act.—Mr. Brown.

LEGISLATION

INQUIRY AS TO OLD AGE PENSIONS AND HEALTH INSURANCE MEASURES

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): In view of the reports that have appeared in the press from time to time may I ask the Minister of National Health and Welfare if he can indicate whether legislation respecting an improved old age pension plan and national health insurance will be introduced at this session.

Hon. PAUL MARTIN (Minister of National Health and Welfare): As to the first part of the question, the policy of the government will be announced in due course. With respect to the second part, these matters receive continuous attention.

HOUSING

INCREASE OF TAXES ON CERTAIN WARTIME HOUSES

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce. Have the tenants occupying wartime houses in the city of Vancouver been informed by Central Mortgage and Housing Corporation that it is the intention to increase rentals beginning on April 1 next? If notice has been given, will the minister state the reason for such increases, and how the increased rent will compare with other rentals in the same locality?

Mr. P. C. BLACK (Cumberland): May I say, sir, that I have a similar telegram on behalf of people in my town of Amherst, that Wartime Housing officials are increasing rentals at this time. I should like to know the reason, and whether the minister will not have this proposed increase of rentals postponed and investigated.

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Mr. Speaker, I think the same answer will cover both questions. The situation is that the houses referred to were built during wartime under agreements with cities or municipalities covering fixed taxation for the period of agreement, which was for the duration of the war and one year thereafter. The taxation agreement with the cities and municipalities has now expired. In some cases we have been able to renew the agreement, and in other cases that has not been possible.

In respect of Vancouver, let me say that the city of Vancouver by resolution of February 24, 1948, laid down the policy that the city would increase the taxes on tenants of these houses. My hon. friend will appreciate that the city cannot tax government property, and could not tax the houses. But it is free to tax the tenants in the houses.

To straighten out the matter and to save confusion, Central Mortgage and Housing Corporation has agreed to collect the taxes which the city has assessed against the tenants. The increase in the rentals represents the amount of increased taxes requested by the city. I may say that the corporation receives no more revenue from the houses than was the case before new taxes were assessed.

VETERANS AFFAIRS

INQUIRY AS TO SETTING UP OF SPECIAL COMMITTEE

On the orders of the day:

Mr. A. J. BROOKS (Royal): I should like to ask the Minister of Veterans Affairs when we may expect that the special committee on veterans affairs will be set up.

Hon. MILTON F. GREGG (Minister of Veterans Affairs): The resolution to set up the committee will be brought before the house just as soon as the program will permit.

CZECHOSLOVAKIA

INQUIRY AS TO CANADIAN LOAN

On the orders of the day:

Mr. W. R. THATCHER (Moose Jaw): I should like to ask a question of the Secretary of State for External Affairs—and I apologize for not having sent him notice. Has the Canadian loan made some two years ago to Czechoslovakia been used up? If not, in view of recent events in that country could the minister say what the government's intention is regarding the remainder?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, I happen to have before me the figure as to the amount that has not yet been committed on the loan to Czechoslovakia. It is $1,400,000. The matter of what action will be taken is still under consideration. When a decision has been reached it will be announced.

HOUSE OF COMMONS

QUESTIONS AFFECTING MEMBERS' TRANSPORTATION —WIVES AND DEPENDENT MEMBERS OF FAMILIES

Hon. LIONEL CHEVRIER (Minister of Transport): Mr. Speaker, yesterday the hon. member for Calgary West (Mr. Smith) asked a question regarding transportation for wives and dependent members of families of members of parliament over the railways of Canada.

I would reply by saying that members of the House of Commons are entitled by law to free transportation upon all railway trains in Canada. This is by virtue of section 346 of the Railway Act, 1919. Free transportation to dependent members of the families of members of the House of Commons is issued under authority of section 345(c) of the Railway Act.

I am informed by the Canadian National Railways that trip passes issued for their trains to dependent members of the families of members of the House of Commons bear no restriction whatever. The Canadian Pacific Railway, however, advise that trip passes such as I have mentioned are restricted in so far as travel on trains 6 and 15 between Montreal and Toronto is concerned, and trains 355 and 356 between Montreal and Quebec. The company states however that if a member will make known to them at the time a pass is requested that any one of these particular trains is to be used, the restrictions will be removed.

Mr. KNOWLES: Why should it be there at all?

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Monday, March 1, consideration of the motion of Mr. J. A. Dion for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Bracken, and the amendment to the amendment of Mr. Coldwell.

Mr. W. G. BLAIR (Lanark): Mr. Speaker, I should have liked to deliver this speech on health during national health week in Canada, but unfortunately I did not have the opportunity of doing so. During national health week our attention was drawn to the importance of health through articles in the press, over the radio, by public meetings and by educational programs. Every means was used to direct the attention of the Canadian public to the importance of health, both for the elimination of disease and suffering, and from the standpoint of building a stronger Canadian nation. The House of Commons is one place in particular where this question should be discussed fully. It is not a subject which is commonly debated in the house, except for a few short hours when estimates of the Department of National Health and Welfare are under consideration.

Today medical science has made the world healthier than it has ever been. But what has been accomplished in scientific medicine is small when we consider the future possibilities of preventing disease, alleviating suffering and prolonging human life. The best definition of an ideal situation regarding health is found in the constitution of the world health organization, which states:

> Enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being, without distinction as to race, political belief, economic or social conditions.

We in Canada might well regard this as our objective so far as the health of the Canadian people is concerned. At different times in the House of Commons I have quoted statistics and placed on record figures to show that we have been lax in dealing with a problem of such marked importance to our people. There has been little change in the statistics, although there are some encouraging features. There has been a drop in the maternal and infantile mortality rate, but still more work can be done in these and other fields of national

health. While educational programs have shown rich benefits, we are still faced with the problem of opportunity to receive necessary treatment.

A year ago I drew the attention of the house to the high cost of hospitalization and treatment. I pointed out at that time that the costs were becoming so high that the average citizen could not afford to pay for hospital treatment. This condition has not improved; and with the rising cost of living it has become much worse. We are still faced with the high cost of hospital construction, the maintenance of existing hospitals, and the shortage of nursing staff. Statistics in the various provinces differ. We must realize in investigating these statistics that the health of a Canadian citizen in any one province is as much a matter of importance to the Canadian nation as the health of a Canadian in any other province.

Even if we have made advances in the matter of infantile mortality, there is no reason to feel complacent. Our infant mortality rate for the year 1945, the last year for which I have the figures, stands at 51 per thousand live births. The rate in the United States is 38. In fact New Zealand, Australia, Sweden, Iceland, The Netherlands, Norway, South Africa, England and Denmark all have lower infantile mortality rates than we have. I draw attention to the difference in the infantile mortality rate in the United States and in Canada, that is, the United States with 38 and Canada with 51 per 1,000 live births. This is something difficult to comprehend in view of the fact that the United States has such large cities and urban centres. In 1945, when the dominion rate was 51, the provinces had the following rates:

Ontario	41
British Columbia	42
Alberta	43
Saskatchewan	44
Prince Edward Island	45
Manitoba	48
Nova Scotia	53
Quebec	62
New Brunswick	71

In 1945 we lost 14,823 infants, a large percentage of whom could have been saved by adequate treatment and care. The matter of an immigration policy absorbs much of the time of this house, but in losing those 15,000 children we lost the finest type of little immigrants that could come into this country. They were children of French, English, Irish and Scotch parentage, they were the children of those other hardy races which came to Canada and helped to build up this country. While such conditions exist the saving of such little citizens should receive priority in parliamentary discussion over debates on immigration. An immigration policy is necessary but such a policy is unsound when we are forced to replace 15,000 little Canadian citizens with people brought in from other lands. I am not averse to an immigration policy and the bringing in of citizens from other lands, but I feel that in carrying out such a policy we should also pay attention to the 15,000 little immigrants who came into this country in that year.

The number of infants dying from communicable diseases in 1945 stood at about the same rate as in former years. In that year the number of deaths was 1,040. A large number of those small children could have been saved by immunization. If preventive measures had been taken we could have saved many of them, but the difficulty is that preventive measures are not equally available in all parts of Canada. At the beginning of my speech I referred to the shortage of hospital facilities. We have generally believed in Canada that 4·5 beds per hundred of population was sufficient for our needs, but the number of hospital beds throughout the province varies from three per hundred in Prince Edward Island to seven and eight per hundred in Alberta and British Columbia. Even in those provinces with the greatest number of beds there are many hospitals with long waiting lists.

The costs of hospitalization have increased tremendously but the value of the services given in hospital has also increased tremendously. The average stay in hospital has dropped from about twenty days to around nine days per patient. However, it is a fact that today many people are faced with costs which are difficult to meet, especially by people in the lower income tax brackets. It is unfortunate that in a country with a scattered population we cannot go as far as is necessary to meet the needs of the people. Costs are high not only in existing hospitals but in those areas where extra accommodation is required. Construction costs have reached an almost prohibitive figure.

Under present conditions the cost of providing new hospital accommodation is around $8,000 to $9,000 per bed. At that rate the construction of a fifty-bed hospital will cost almost half a million dollars, which is a heavy debt for many small municipalities or towns to assume. According to a return made by the Department of National Health and Welfare, as of June, 1947, we still required 5,000 beds for tubercular patients. It is impossible to eliminate tuberculosis or put on an all-out program for the prevention and cure of tuber-

culosis as long as such shortages exist. It is admitted that there is an increased demand for hospitalization and that the demand for hospitalization far exceeds the supply at the present time. This causes considerable hardship, and it means that there is a lack of proper care. Because of the shortage of nurses, which totals approximately 10,000, the staffing of new or existing hospitals is very difficult.

Many hospital boards have planned new building projects or extensions but the cost is entirely beyond their financial means. In order properly to take care of sickness in this dominion the distribution of Canadian doctors from province to province and from urban to rural areas must be considered. Most urban districts have an adequate supply of doctors, but according to a return from the Department of National Health and Welfare, the following ratio of doctors to population exists:

	Persons per doctor
In cities of 150,000 and up	665
In cities of 30,000 to 150,000	669
In cities of 10,000 to 30,000	857
In communities of 10,000 and under	1,300

According to a survey of physicians in Canada as of July, 1946, the distribution is as follows:

	Number of physicians	Persons per physician
Prince Edward Island	74	1,243
Nova Scotia	492	1,262
New Brunswick	293	1,597
Quebec	3,334	1,068
Ontario	4,752	843
Manitoba	706	1,042
Saskatchewan	562	1,504
Alberta	676	1,222
British Columbia	1,012	938

It is estimated that at the end of 1947 there were in Canada 13,419 active physicians, which with an estimated population of 12,300,000 gives us one physician for every 916 of population. This situation is not as bad as it first appears. Urban areas have a concentration of hospitals and specialists and the statistics show that from twenty to fifty per cent of the patients are from rural areas. We should take steps to make the conditions and financial awards of those doctors practising in out-of-town areas more satisfactory in order that the younger group of doctors starting to practise may be induced to settle in rural districts.

It is not my intention to present to parliament health statistics which I have given in previous years. The conditions have not varied greatly and the percentages are practically the same. Some action has been taken in the matter of cancer research by the Department of National Health and Welfare. This is a step in the right direction, in view of the annual death rate in Canada of over 14,000 citizens from this terrible disease. Research should be given all possible encouragement and treatment facilities so broadened that all citizens may have the opportunity for early diagnosis and treatment.

I am not impressed by the so-called total war on arthritis, as announced by the department. During the last session of parliament when the matter of arthritis came up in the course of a debate on health estimates, the Minister of National Health and Welfare (Mr. Martin) stated that a conference of government and professional authorities would be called—I quote the minister's own words—"to see if we cannot provide some co-ordinating authority to carry on in the field of arthritis". We must remember that there are some 600,000 sufferers from this disease, of whom 125,000 are crippled, either bed or wheel-chair patients, without any hope of gainful employment. Many have spent all their available funds in hospitalization or on long and expensive treatment. Rheumatic disease is the cause of one-sixth of all industrial invalidism. Since up to the present there is no specific cure, it has been viewed in a spirit of hopelessness. It has been misunderstood, described by many medical terms, and is often confused with rheumatic fever. There is a tendency to group all the diseases of this nature under the common term "rheumatism". Rheumatic fever is most frequent in the young from five to fifteen years of age and often leaves a damaged heart. Many of the most destructive forms of arthritis cripple the patient between the ages of twenty and forty, which is the period of greatest productivity. Millions of dollars have been spent annually by sufferers from rheumatism. It is obvious that, since there is no single method of treatment, there is no specific cure. Every effort should be made to save these patients from crippling, apart from the relief of pain and suffering. We should not consider them hopeless.

The result of the conference on arthritis in Ottawa last November was a decision to carry out the program of arthritis in the Department of Veterans Affairs hospital at Sunnybrook. Arthritis exists from coast to coast; we find these unfortunate patients in the wards and rooms of all our public hospitals. It may be possible to do research at Sunnybrook, but D.V.A. hospitals could not possibly accommodate all the arthritis patients seeking admission. There is no provision, even in Sunnybrook, for female patients. The only women patients obtaining entrance at Sunnybrook are a few army nurses who were unfortunate enough to develop this disease. I

question the ability of the Department of Veterans Affairs to handle the situation. They have not on the staffs of their hospitals sufficient physicians and personnel trained in arthritis to carry out such a program effectively. There is a marked shortage of physicians trained in arthritis clinics. Even if the D.V.A. undertakes to train men in the treatment of arthritis, these men will later on, when they go out to run their own offices, have no access to such equipment—and some of it is very expensive—or to facilities for treatment. There are in the dominion many general hospitals and many good physicians. Under present conditions with the D.V.A. arthritis clinic located in Sunnybrook, these men are shut off from all help and assistance. Every general hospital and every physician has a percentage of arthritis patients. I speak from my own knowledge. It is a problem for all general hospitals in Canada. The patients are there demanding treatment, and the doctors and the staff of these hospitals, and the general practitioners throughout Canada, should be given help. We must not forget that we have 125,000 invalids or semi-invalids among 600,000 arthritis sufferers. While I admit the necessity of research, yet I suggest action and help for all arthritis sufferers. Even if we have not yet a specific cure, many of these cases could be saved from crippling disabilities by adequate treatment.

I have criticized this set-up of the Department of National Health and Welfare at Sunnybrook, and having criticized it, I feel that I should offer some constructive suggestions for dealing with this question.

1. There should be increased facilities for treatment in the hospitals throughout the country.

2. There should be sufficient beds for these patients; physiotherapy, equipment and trained personnel.

3. There should be institutions for the special care of arthritis patients where they can receive specialized diagnosis and treatment.

4. Medical colleges should teach the care of arthritis to students and internes so that when they go out in practice they have a working knowledge of the subject and the basic principles of diagnosis and treatment.

5. Medical schools and teaching hospitals could be made the basis of arthritic centres instead of limiting the efforts to the D.V.A.

6. There are no places in Canada where men can be trained for this specialty and therefore grants should be given to universities to train suitable men for teaching purposes. This could take the form of travelling fellowships for professional men who desire to take training.

[Mr. Blair.]

In the consideration of matters affecting national health, proper and adequate nutrition is of marked importance. This applies particularly to veterans suffering disabilities from war services, and those veterans who by reason of their age receive the veterans' allowances. War veterans' pensions and allowances must be increased to the point, having regard to the high cost of living, where the veterans can maintain a decent standard of living. Old age pensions under present conditions are not sufficient to maintain a standard of life of which we can feel proud. There are many, and I have particularly noted this fact, especially in the age group 67, 68 and 69, who, by reason of physical disabilities and age, are deserving of allowances but under present legislation are not eligible.

Speaking on the matter of health, I wish to direct the attention of the house to certain regulations made by the Department of Transport, radio communications division. These are regulations governing wave lengths for electrotherapeutic equipment for use by the medical profession. This is a type of treatment which has come into common use in Canada and the United States and which gives beneficial results.

In December, 1946, a new wave length was set at 10·98 metres for medical diathermy machines. A few manufacturers sent in machines for tests, both in Washington and in Ottawa, and received approval of this wave length. Under a new regulation passed on October 27, 1947, however, another set of rules was given by the radio division of the Department of Transport which changed the wave length from 10·98 to 11·06 metres. Manufacturers making these machines, and physicians purchasing them, have had to change the type of machines used.

The Canadian Medical Association and the Canadian Hospital Council both made protests to the government over the short time limit allowed in Canada, that is, until January 1, 1948. It is true there was considerable notice given of these requirements at the time, but hospitals have found it difficult to obtain the equipment which they would like, and that which is available is in short supply.

The federal communications commission of the United States allows five years, from July 1, 1948, for users of these machines to conform to the new regulations, but in Canada the users of these machines were simply cut off on January 1, 1948. The United States allows five years in which these machines can be replaced. The regulations are supposed to be international, yet doctors or hospitals in cities close to our border, for instance in

Plattsburg, may continue to use old machines while in Montreal they may not, and naturally a machine just across the line would interfere just as much as one in Canada.

I would like to read and place on the record a resolution passed by the Canadian Hospital Council in October, 1947.

At the Winnipeg meeting, the Canadian Hospital Council passed the following resolution unanimously:

Whereas the recent announcement by the Department of Transport that all electrotherapeutic equipment emanating interference must be either completely screened or replaced by equipment so constructed that it will disseminate waves on three designated wave lengths alone; and

Whereas it will be exceedingly difficult for the hospitals to comply with this regulation in the time stipulated, partly because of the difficulty of obtaining adequate screening or a sufficient number of properly constructed new type machines and also because of the marked expense involved; and

Whereas, under similar conditions, the United States government permits the hospitals a period of five years within which to replace the present machines, and interference from machines in the United States will affect Canadian reception during that period;

Be it resolved that the Canadian Hospital Council respectfully request the Canadian government to so modify the regulations respecting radio interference by electrotherapeutic equipment that the use of old equipment be permissible for a period of another five years but that all new equipment purchased during that period be of the new crystal controlled type.

If Canadian hospitals have to replace this equipment with new machinery, or if they have to go to the trouble and expense of screening this equipment, it will involve a good deal of money, and hospitals at the present time are having their own difficulties financing their own institutions, without submitting to a rule of this type.

The Canadian radio department is not equipped to find out whether certain machines do interfere. They have one testing equipment in Canada, and that is in Ottawa. This is an important matter because there are about 10,000 diathermy machines in Canada. Time should be given to permit manufacturers to try to develop some means of converting the old machines now in use to the new wave length and thus save hospitals and doctors thousands of dollars.

Under present conditions a physician or a hospital using a machine since January 1, 1948, must either purchase a new machine with the new wave length or go to the great expense of shielding by a lead-lined room. The use of screened treatment rooms in hospitals is cheaper, but it prevents the taking of these machines to the rooms and to the hospital wards, and even if doctors and hospitals can afford the investment of replacing old machines with new ones built to the new specifications of wave length, it will probably be two or three years before sufficient machines can be manufactured to meet the demand.

The departments state that they do not contemplate extending the above date for suppression of excessive radiation. It is of peculiar interest to note that while radio communications for ships at war, aeroplanes and radar are now considered important in peacetime, there was no move during the war to stop the use of these machines when our communications were vital. The regulations are supposed to be international, but the United States has given a five-year extension. In view of this there is no reason why radio experts or the technicians of the radio department of Canada should use such arbitrary measures in dealing with a matter where such equipment is used for the purpose of treatment by Canadian doctors and Canadian hospitals.

In the early part of this speech I dealt with certain conditions regarding lack of hospital facilities, shortage of nurses, and opportunity for treatment. I pointed out the glaring need for action as regards our heavy infantile mortality. In previous speeches I have called the attention of the house to the need for early action to correct these deficiencies in health matters in Canada.

As each province has control of legislation affecting health matters, it is very apparent that the provinces must receive assistance in order that a common plan for the benefit of all Canada may be produced. Provinces have different standards of health and varying facilities. There have been reports from Ottawa of a national health insurance scheme. The government has taken the position, if one may judge from some of their speakers, that owing to the absence of financial agreement between the Drew government in Ontario and the Duplessis government in Quebec, action is prevented. The premiers of these two provinces have both on several occasions in public strongly urged, and intimated their willingness to participate in further discussion of these matters in a dominion-provincial conference. There is no doubt that there is a certain amount of stubbornness in the government at Ottawa which prevents a resumption of the conference. To me this is something difficult to comprehend. The saving of life and the relief of human suffering should receive consideration above any political bickering.

The parliamentary assistant to the Minister of Veterans Affairs (Mr. Tucker) made a speech in Toronto early in February in which he intimated that Ottawa is not prepared to

go ahead with health insurance. I wish to quote from the Toronto *Star* of February 4. Incidentally, this was headed, "No health insurance, Tucker from the prairies says." I quote:

Speaking before the Liberal businessmen's club of Toronto, he said that administration of the scheme would be left to the provinces, which would pay 20 per cent. The balance of 20 per cent would be split evenly between the municipalities and the individuals participating.

Incidentally I notice this is another time when people seem to make very important announcements outside parliament. It was amazing to read this in the *Star*. Continuing:

"Cost would be about $30 per person per year, of which the individual would contribute about $3," Mr. Tucker said.

Possibly this too is news to the Minister of National Health and Welfare.

Mr. KNOWLES: He said today that the matter was under consideration.

Mr. BLAIR: To continue the quotation:

It would include all present health services as well as all branches of medical, surgical, nursing, dental, hospital, pharmaceutical and optometrical services. The individual would have a free choice of doctor and hospital. Outlying areas would be served by travelling clinics.

He intimated that the failure to proceed with a health program—and we have it again—was due to the absence of a financial agreement between the dominion and the provinces. I think I read a speech made by the minister in Quebec, and he mentioned something about a red herring. Possibly he felt that, being near the maritime districts, he should say something about fisheries too. I hope this portfolio is not saddled on him.

The member for Rosthern (Mr. Tucker), in an amazing statement, is reported as saying that the dominion is prepared to pay sixty per cent of the cost of the health insurance scheme. Under this the provinces would pay twenty per cent and the remaining twenty per cent would be split between the municipality and the individual. The cost would be about $30 per person annually and the individual would contribute only $3. This looks like an entirely new scheme if the parliamentary assistant to the Minister of Veterans Affairs has been quoted correctly; or it may be possible that he has been talking about something without knowledge of the subject. In order to achieve the desired result from the standpoint of the Canadian nation, nothing can be done, nor can a proper plan be brought into existence, without an agreement and the consent of all the provinces in matters of taxation. It is obvious that any other proposal would be only a partial plan, or a failure, in so far as all Canada is concerned.

The time has come, Mr. Speaker, to enunciate and put into effect a national health program for Canada. We have fallen far short of the objective of the world health organization. The objective plan of this party is one which will bring physical and mental health to every Canadian citizen, regardless of race, economic status or geographical position. There are certain basic features necessary at present to any plan and without which a plan cannot succeed. In our judgment grants should be given for hospital construction and expansion. Existing health insurance plans should be investigated with a view to their possible amalgamation, and enlarged as the basis for a contributory health insurance plan which should be inaugurated. That is, we would take the best features out of all the plans. This would make health services available to all at a minimum of expense. We believe that there must be a free choice between doctor and patient, and that in order for the plan to be successful it must be brought into effect with the full co-operation of dominion, provincial and municipal governments, and the medical association. I mention the medical association because in any plan that is adopted, the doctors must not become civil servants. With this full co-operation, there is every reason to believe that this will be the solution to the problems which I have mentioned today. Sickness is costing the people of Canada a billion dollars a year in loss of production, absence from work, and cost of illness. A health insurance plan will be expensive, but above all it will pay dividends in the relief of human suffering. This is not a time for political bickering and inaction. The health of the citizens of Canada should be the paramount consideration.

Medical science has today reached a high standard. It has opened up new fields of treatment in the prevention of disease which were unknown a few years ago. We must take full advantage of all that science offers for the relief of human suffering. The health of the people of Canada should be a matter for the federal government to consider far above many of the affairs which now engage the attention of parliament. In six years of war we lost 45,000 men, who were either killed in battle or died of disease; but in the years following the war we still lose thousands of Canadian people whose death could have been prevented. We were successful in the battle against our enemies in the war in the cause of freedom. We should continue the battle

against disease which is causing such tremendous casualties among our people. We should fight not only for better facilities for treatment and cure of disease, but also for those other things upon which health is dependent—elimination of slums, facilities of education, and adequate nutrition. We must realize that the raising of the standard of living is an important factor in the national problem of health. We must realize above all that little in this life is of importance without health.

Mr. J. H. MATTHEWS (Kootenay East): In rising to participate in this debate, Mr. Speaker, I want to bring one or two matters to the attention of the house.

First of all I want to refer briefly to a bill which was passed in this house during the 1947 session of parliament. It was a bill designed to repeal the Chinese Immigration Act. I remember, sir, that there was a prolonged and very interesting debate at that time and many divergent views were expressed, partly because of a lack of a definite government policy in regard to people of the Chinese race. The leader of this C.C.F. group, the hon. member for Rosetown-Biggar (Mr. Coldwell) at that time expressed his keen disappointment in the bill because it failed to carry out the promise made by the Prime Minister, who had given out a press statement saying that "the effect of the repeal will be to remove all discrimination against the Chinese on account of race and to bring Chinese persons under the general provisions of the Immigration Act, and no longer under legislation applying exclusively to persons of Chinese origin."

The bill which we passed, sir, did not remove all discrimination against people of the Chinese race. It did permit, however, the entry of the wife and children of Chinese residents in Canada who had become Canadian citizens; but the discrimination was continued against those who had not become Canadian citizens. I have in my hand at this moment a clipping from the columns of the Ottawa *Journal*, dated Monday, February 16, which is headed with these significant words: "No Chinese wives have entered Canada since ban lifted." It reads as follows:

> Resources Minister Glen was told today that not a single wife or child of a Chinese-Canadian citizen has entered Canada since it became legally possible nearly a year ago.
>
> An eight-man delegation from the committee for the repeal of the Chinese Immigration Act made that statement to Mr. Glen, Minister of Immigration, while urging repeal of an order in council which prevents wives and children in China from joining Chinese here who are not Canadian citizens. Repeal of the Chinese Immigration Act about a year ago technically allowed in the families of those who had become citizens.
>
> In answer to their charge that the change had so far meant nothing, Mr. Glen said the department was only getting to the point where administrative difficulties could be cleared up and an immigration officer appointed to go to Hong Kong. The officer had only been chosen this week.
>
> However, it would probably be some time before there was any movement of families because an office would have to be found in Hong Kong and there would be other problems.
>
> At a press conference following what he described as "a sympathetic hearing," Irving Himel, of Toronto, legal counsel, estimated that something fewer than one hundred applications for family movements must be on file with the government.
>
> The delegation criticized the continuing prohibition against families of non-citizens as unnatural and morally wrong and in contradiction of a stand Canada had taken in united nations councils in arguing that husbands and wives should be allowed to live together as a matter of principle.
>
> Reverend Doctor A. E. Armstrong, of Toronto, head of the Canadian council of churches, said the Protestant churches were against the government ban. It was estimated by the delegation that repeal of the order in council would mean the coming to Canada of between three thousand and four thousand Chinese during a ten-year period.

It would appear that the members of this delegation feel that things have been moving altogether too slowly as far as the admission of Chinese wives and children to Canada is concerned. I can quite understand how difficult it is for a department to act rapidly and function properly in a world as dislocated as our world is today, but I too would express the hope that every effort might now be put forth to facilitate the reunion of these long-separated families. But this is not my only appeal. In the lifting of the ban against the admission of wives and children of Canadian citizens of Chinese origin, Canada took a definite step forward, but only a step. She could have gone and I believe should have gone further. On the highest of moral and spiritual grounds we should have permitted the entrance of the wives and children of all Chinese now resident in Canada, whether or not they have become Canadian citizens. In fact I believe such a step would go far toward leading more of our Chinese residents to seek to become citizens of Canada. The fact that the Protestant churches of Canada are against the perpetuation of this ban is significant indeed, and I believe should carry considerable weight with the government. I believe, too, that the strength and soul of the Roman Catholic church also support this appeal. As I understand it the Roman Catholic church has always taken a very strong stand on the question of divorce, holding inviolate the sanctity of marriage. Yet there are Chinese

scattered across all the provinces of this dominion who have not seen their wives and children for many years. We hold up our hands in horror and disgust when we learn that in spite of our diplomatic representations Russia refuses to allow her womenfolk to leave that country and join their Canadian husbands. As a nation Canada has taken a strong stand in regard to these matters in the united nations assembly; yet our actions here at home are a direct negation of the very high principles we profess.

In making this appeal to the government today I want to make it quite clear that I am not advocating the unrestricted immigration of all classes of Chinese into Canada. I only ask for the admission of the wives and children of Chinese who are now resident in Canada, because I do feel that we have no moral right to keep families apart, as we have done in the past. We are proud to call ourselves a Christian nation. Then let us not act deliberately in an un-Christian way toward these people, remembering the words of Him who said, "Inasmuch as ye have done it unto one of the least of these my brethren, ye have done it unto me."

The second matter I want to deal with at this time has to do with the work of radiotelegraph operators on the British Columbia coast. To introduce this matter I should like to read another short clipping, this time culled from the columns of the *C.C.F. News* of Thursday, February 19, and coming from Vancouver, British Columbia:

Union shows need for radio operators on coastal ships

Discontinuance of protection afforded the travelling public and ships' crews, through elimination of full-time radiotelegraph operators, is forecast by a recommendation of the new maritime commission.

Division 59 of the commercial telegraphers' union (AFL), whose members include most of the radio operators carried on B.C. coastal passenger vessels, has been pressing Ottawa for stricter regulations to insure proper radio service on these ships. In the latest brief submitted it is pointed out that some ships have never maintained an efficient radio department while on many it has been voluntary and limited to a radiophone with no certified operator.

The Canada Shipping Act governing these conditions is so full of loopholes, according to a union spokesman, that it is actually permissible for a ship of any size and capacity to operate anywhere on the B.C. coast entirely without radio, by merely arranging her schedule suitably. A number of B.C. coast ships do just that, while others flout this archaic law by carrying one man in a combined position of purser-operator or freight clerk-operator, in which radio duties are side-tracked. Less than a dozen B.C. coast ships maintain a proper radio service, it is reported.

[Mr. Matthews (Kootenay East).]

The CTU's protests against this disgraceful situation have been repeatedly turned down by Ottawa for several years, and when it recently put in specific requests for amending the act to eliminate these evils the Minister of Transport replied "The (maritime commission) does not believe that coastal vessels should be compelled to have a full-time radio operator, but it thinks that the duties of the radio operator should be combined with those of one of the mates or purser or freight clerks."

The brief submitted by the local operators pointed out the thousands of lives and huge value of property that has been saved from loss at sea over some thirty-five years by the availability of radio communications; it also showed some of the shortcomings of radiophones and pointed out the vital need of having certified operators giving full time to the radio service.

It reminded the department that on the B.C. coast this service costs the ship but $11 a day, and some of these ships carry over 1,000 persons. But Ottawa apparently does not consider the safety of 1,000 persons and a ship worth up to several million dollars justifies demanding an $11-a-day service.

Discontinuance of full-time operators would also result in the laying-off of the present experienced staff, most of whom have given over a quarter of a century of excellent service. Many of them are veterans of one war at sea, some of two. Curtailment of radiotelegraph service on B.C. coast vessels has already hit two of these men, while further reductions appear imminent.

As one who in years past has travelled considerably up and down the Pacific coast of British Columbia, I feel disturbed by this move to eliminate gradually the radio operators from our coastal vessels. This move may not greatly disturb people in the inland areas of Canada, but those whose duties take them down to the sea in ships certainly cannot view this trend with any degree of complacency.

The oceans that lap our shores have given to us far too many tragic marine disasters, with their appalling loss of life and property; and the development of radio, and the presence of radio equipment on board, serviced by experienced operators, has done much to allay the fears of the travelling public. I believe we should be extremely careful just now lest in the interest of so-called economy we destroy the very protection we have so consistently built up.

Our maritime commission is a newly established body. They have still to prove themselves before the Canadian public. It would be regrettable indeed if their earlier recommendations should produce such a disastrous effect. Radio contacts, whether on land or sea or in the air, are priceless in times of emergency and need.

The suggestion, then, that the duties of radio operator should be combined with those of one of the mates, or the purser, or the freight clerk, is simply not good enough. A

sea tragedy may occur, and the S.O.S. signal might go unheard while other required duties were being performed by the radio operator. Therefore I have no hesitation in telling parliament that this is not economy at all. It is sheer madness, and I am absolutely opposed to it. I would go further and demand that instead of dispensing with the full-time service of radio operators, all vessels should be equipped with radar facilities, and that the shipping laws should be amended to require each vessel to carry as part of its personnel a man who is able not only to operate these devices, but also to repair them when necessary.

What is $11 a day in comparison with the safety of a ship and the lives of all on board? I leave it to hon. members to answer this for themselves. I can well imagine the outcry that would be heard if it were suggested that radio operators should be removed from our air lines. I know every effort has been put forth in the past to make Canadians air-minded. Our Trans-Canada Air Lines and Canadian Pacific Air Lines have built up for themselves a most enviable reputation for safety, security and service.

Mr. MITCHELL: Does the hon. member know of any instance in the last decade in which a ship was lost because there were no wireless facilities either on the rescuing ship or on the ship in distress?

Mr. MATTHEWS (Kootenay East): No, I do not know of any particular instance. But we do know that we add to the risk if we have a radio operator attending to duties other than those of radio operation. In such circumstances he is not going to be on duty at a time when a radio signal may come in. It is on that ground I would oppose the removal of these men, or giving them extra duties in addition to radio operating. A vital and integral part of these air line organizations is the radio operators who are on duty every hour of the day and night, maintaining contact and enabling these great organizations to function efficiently and well.

Yes, whether they be on land or sea or in the air, I pay tribute to the radio operators who quietly and unobtrusively make their contribution to the world of travel and of business. I definitely do not want to see this splendid body of men go out in order that some shipping company may save a few dollars in operating costs. Very humbly I commend these suggestions to the maritime commission.

Mr. J. L. GIBSON (Comox-Alberni): Mr. Speaker, the debate on the address in reply to the speech from the throne has covered a wide range of subjects, some of which I should think might better be discussed when departmental estimates are before the committee. However, there are two or three matters which to my mind are urgent and which I should like now to bring to the attention of the house.

The first subject which comes to mind, and which I think requires some discussion, is that of veterans' pensions. I entertain the fond hope that before the government brings in its final bill covering veterans' pensions it will reconsider its most recent and, may I say, its most generous decision to date; it is not actually generous, but certainly it is more generous than the announcement made on December 19, which to my mind was a shabby statement. The recent announcement was somewhat better; still I do not think it is adequate to meet the need it is supposed to cover.

I have heard many excellent speeches from all sides of the house. Perhaps I should not mention any in particular, but I can say that I received a great deal of information from the speeches of the hon. member for Royal (Mr. Brooks) and the hon. member for Nanaimo (Mr. Pearkes). The hon. member for Vancouver South (Mr. Green) made an excellent speech on the subject. I do not confine my comments to members of the Progressive Conservative party, although those are the names which come first to my mind. I think it is unfortunate that on so many occasions in the house we should witness the spectacle of gallant soldiers urging better treatment of their comrades. I believe all hon. members are interested in doing the right thing for those who did so much for us in both world wars.

Today I thought I should like to express in some measure the views of the average civilian in Canada who did not have the opportunity or privilege of wearing the king's uniform in either war. I believe that the civilians of Canada have done particularly well. It may be a strange thing to say, but it seems to me that, as a result of world war I and world war II, our standard of living has advanced measurably. I do not think the same thing can be said of the conditions faced by our veterans, particularly those who suffered disabilities through fighting for us.

I often feel a sense of shame—I am sure many other civilians have the same experience—when I associate with veterans in the legion and other organizations, particularly with pensioners; I have a feeling that we have not done as much as we should have done. I think it must be admitted that civilians in Canada have better homes and better jobs. Many

companies have started insurance and pension schemes for their employees. Our standards of education have advanced. The government has done its utmost to see that no undue profits were made out of the war; but, despite that, many companies have been able to extend their plants and build up financial reserves. There are also refundable taxes which will be coming back to them in due course.

Since 1925 there has been an increase of approximately 16 per cent in pensions, but actually this represents a decrease in purchasing power. We must face up to the fact that with the present rates of pension the disabled pensioner is forced to live in mean surroundings. The wife or widow of the pensioner must dress more shabbily than the average woman in our population. It means that most of their children receive an education inferior to that received by other children.

I do not believe that is the desire of civilians in Canada. I do not think that is all we want to do for these people who have done so much for us. At the same time I think most people feel that the veterans of world war II who were not disabled have had a good deal. The government of the day has done an excellent job in re-establishing them in civilian life. I think every Canadian is glad to have participated in the putting up of the billion and a half dollars or so which we have invested in the rehabilitation of our veterans.

It is difficult for me to understand the niggardliness of the government in the present instance. On December 19 the announcement was made of an increase of $7,500,000 in veterans' pensions, but that was lumped in with the announcement of an increase of $17,500,000 in the pay of civil servants. In fairness to the veterans I think the increase in pensions warranted a separate statement. The Canadian people do not want to be misled and I do not think the government has any intention of trying to mislead them, but at the same time I think we should have had a separate statement.

As announced by the Prime Minister (Mr. Mackenzie King) recently, the pensions were increased by 16 per cent. The legion suggested an increase of 25 per cent as being fair and I think they were most reasonable in their request. I certainly appreciate the way in which the cabinet guards our money. It would be easy to accede to every demand for more of this and more of that, particularly when it might be a sound political move. I am certainly finding no fault with the way in which the cabinet guards the taxpayers' money, but in this particular instance I think the cabinet has been too careful. I think the members of the cabinet should meet the wishes of the average Canadian citizen.

Those who stayed at home were able to earn big wages or make reasonably large profits. As their contribution they were asked to invest in victory bonds. We have said to them, "We will pay you $400,000,000 a year as interest on the money you have lent to prosecute the war." We have also said, "Any time you want to renege you can go into the market place and for every $100 you lent you can get $102, or even $106 in some instances." Those people who lent money to the government during the war are infinitely better off than those who went overseas to fight for us. Those veterans who sacrificed everything they had, had no opportunity of participating in war profits. Some of them suffered permanent impairment of health and many of their widows must face tragically blasted lives. But we say to those people, "We cannot afford to pay you one-quarter as much as we pay each year to the people who lent money."

By paying out another $10.000,000 the country could meet the wishes of the Canadian Legion. We could do the right thing. I am sure there is not an hon. member who would not gladly vote that money. I am sure there is not a taxpayer in Canada who would not be happy and honoured to pay that money. I want to make an appeal to the cabinet. They are all businessmen, and it is hard for me to understand why they are not ready to protect the investment that has been made in our veterans.

Mr. THATCHER: They are mostly lawyers.

Mr. GIBSON (Comox-Alberni): That may be true, but I think most members of the legal profession are fair and possess good judgment. It seems to me that in this particular instance the cabinet is acting like a board of directors which is looking back on an unsuccessful operation and looking forward to bankruptcy. I am quite sure that if this were something having to do with prairie wheat or hail insurance or freight rates or something like that, it would be found possible to take that $10,000,000 out of our consolidated revenue fund. This additional $10,000,000 would not bankrupt Canada. If we grant it to the veterans we can go home from this session of parliament feeling a great deal better than we do at the present time. As someone says, it is possible that some members of the government may come back again.

I should like to say a few words to the Prime Minister who unfortunately is not in his seat at the moment. He rarely calls me in to consult with him, but I should like to bring to his attention the fact that British Columbia has no cabinet minister. In bringing up this matter I want to assure the house that I am not talking for myself. I am quite certain that hon. members in all corners of the house regret the passing to another place of our good friend, the former Minister of Veterans Affairs, the Right Hon. Ian A. Mackenzie. He was a good friend to all of us, and I know the veterans of Canada will long remember the advanced legislation on their behalf which he presented to this house. I myself wish him long life and many happy hours in his new abode in the senate. I want to say to that gallant soldier who replaces him as Minister of Veterans Affairs (Mr. Gregg) that I am sure he will make a great contribution to the welfare of his comrades in the direction of the department of which he is now the head.

It appears to me, Mr. Speaker, that it is about time that the folks back here in eastern Canada realized that British Columbia is getting to be a great big country. We have always had a vast area out there but have been short on population. Today we have over one million people in that province, and the highest per capita income of any people in Canada. The people of British Columbia are the highest taxpayers per capita in the whole dominion. British Columbia has also been extremely co-operative with the dominion. It took the lead in the dominion-provincial conference, and if there is any political pay-off British Columbia ought to do at least as well in cabinet representation as Ontario and Quebec. Quebec with its 3,000,000 people is favoured with six cabinet ministers in addition to the distinguished member who occupies the Speaker's chair. It seems to me that it is time that British Columbia was recognized for its stature and its worth by the appointment of two cabinet ministers.

Mr. THATCHER: If the hon. member will permit a question, does he suggest that the Prime Minister pick his cabinet ministers from within the house or outside?

Mr. GIBSON (Comox-Alberni): I am loyal enough to the members of the House of Commons to say I consider that the cabinet ministers should be picked from the membership of the house. I certainly feel that we have in this house all the cabinet ability in the world amongst the British Columbia members. I think of the hon. member for New Westminster (Mr. Reid), the senior representative for British Columbia, a man of great industry and large experience, and an acknowledged expert in Pacific coast fisheries. I think, too, of the distinguished member for Victoria, British Columbia (Mr. Mayhew), parliamentary assistant to the Minister of Finance (Mr. Abbott), a successful businessman who has made a worthwhile contribution to this house. No one can gainsay that he also is of cabinet timber.

Mr. McIVOR: And the hon. member for Comox-Alberni (Mr. Gibson).

Mr. GIBSON (Comox-Alberni): I think of the hon. member for Fraser Valley (Mr. Cruickshank), the champion of the British Columbia farmers, and, as we all know in this house, an expert in verbal combat. I am sure that when the going got rough and the cabinet fell on troubled times the ready tongue of the hon. member for Fraser Valley would prove a valuable help. I do not think it is necessary to eulogize my good friend the hon. member for Vancouver North (Mr. Sinclair), because we are all well aware of his brilliant qualities. So I would say to the Prime Minister, with such cabinet material at hand I sincerely trust that British Columbia will not have long to wait for the announcement of the appointment to the cabinet of one of these distinguished gentlemen.

I come now to a matter that is of grave concern to business, large and small, in Canada. I come here from the constituency of Comox-Alberni, which is the great home of free enterprise in Canada. We have businesses there both very large and very small, and many in between. I think of the small loggers in my riding, owning probably only an axe, a saw and a pump jack. I think of the fishermen with their small boats, each of whom is a private enterpriser owning his own business and taking orders from no one. He wears no man's collar, not even a socialist collar. I think, too, of very large industries in my riding which have been most successful.

What concerns me is the apparent indifference of this free-enterprise government—I was going to say this so-called free-enterprise government, and I think that is better—to attacks on successful businessmen by irresponsible members of the house. I have been surprised that no minister felt called upon to defend from such attacks successful businessmen who are paying such a large proportion of the taxes which go into the public treasury and are doing all that free enterprise can do. I do not think ill-considered, derogatory remarks against successful businessmen,

coming particularly from my C.C.F. friends opposite, should be allowed to go unchallenged in this house. I do not consider it the duty of private members of the house to be rising in their places all the time and challenging these statements. It sometimes embarrasses me to have to rise myself to take a clip at some of my C.C.F. friends opposite, because I do not feel that I draw cabinet weight. But if I am to continue to do this kind of thing, perhaps something should be done about that. I often wonder if the government is ashamed of these businessmen who have done so much to build up this country, going into the markets of the world, competing in all quarters of the globe, bringing back to Canada as a result of their enterprise large profits and turning over a large portion of them to the dominion treasury. I find the government unwilling to defend that type of enterprise, and I do not think that is good enough. I trust that the members of the cabinet will take this matter into their consideration and see whether something cannot be done about it, because I am tired of having to take care of the C.C.F. myself.

I mention one specific instance. The hon. member for Regina City (Mr. Probe) rose in his place the other day and referred to a prominent organization in my constituency as a gang. I do not think that is good enough. It might be true of some companies in Canada that I might help the hon. member to kick around, because there are companies that do not do everything they might do for their employees, and do not carry out their social obligations as they should. But the MacMillan organization is one of the mainsprings in the industrial life of Comox-Alberni and one of the answers to why the standard of living is so high in my constituency. This man MacMillan and his so-called gang paid $7,600,000 in taxes to the federal treasury and yet the hon. member for Regina City calls them a bunch of gangsters. Well, Mr. Speaker, if they are gangsters, that kind of gangsters is making a valuable contribution to our economy. A little knowledge is a dangerous thing and, when I hear the hon. member for Regina City discuss business in British Columbia, I think he is in dire peril. I sometimes think that if our C.C.F. friends opposite continue to heckle our lumber operators as much in the future as they have in the past they might be surprised one day to find one of these operators coming to Regina and starting a box factory.

Mr. THATCHER: Let him come.

[Mr. Gibson (Comox-Alberni).]

Mr. GIBSON (Comox-Alberni): I can warn my hon. friends that if they ever do, it will make their administration out there look very sorry, because they will find that far higher wages are being paid there than are paid in their box factory, and they will also find that besides paying dominion taxes, at the end of the year bonuses will be declared, such as the H. R. MacMillan Company declare.

Mr. BENTLEY: Come and try it. Bring your hammer and saw and start working.

Mr. GIBSON (Comox-Alberni): Let us take a look at the operations of this company which the C.C.F. call gangsters. I am curious to let the public of Canada know what kind of people they consider to be gangsters. It might be worthwhile for the record. Last year the MacMillan export company, under price control in Canada, for fifty out of the fifty-two weeks, and, may I say, under contract with the United Kingdom at less than world prices—

An hon. MEMBER: With escalator clauses in it.

Mr. GIBSON (Comox-Alberni): The same as your wheat is sold, and we do not come asking for guarantees either. The company brought nearly $45,000,000 of foreign money into Canada last year.

Mr. ARCHIBALD: Canadian money.

Mr. GIBSON (Comox-Alberni): Do you call South African money Canadian money? You are off there.

Mr. ARCHIBALD: I am talking about Britain.

Mr. GIBSON (Comox-Alberni): Does my hon. friend regret having lent money to them?

Mr. ARCHIBALD: No, but call it Canadian money.

Mr. GIBSON (Comox-Alberni): Is it not better to bring it back to Canada than have it go to the United States? The hon. member for Skeena (Mr. Archibald) is a seaman, and he is fair enough, so that I think he would be the first to admit that this particular company took these 10,000-ton freighters built in Canada and provided the finest seamen's accommodations to be found on any ships flying the Canadian flag. That in itself is to their credit. They provided the men with the highest wages paid in any industry in Canada, the finest accommodation, the finest board, certainly far beyond anything known in eastern Canada or anywhere on the prairies.

An hon. MEMBER: No horse meat.

Mr. GIBSON (Comox-Alberni): I have been watching this Regina *Leader-Post* for some announcement on the bonuses that are given at the end of the year to the employees in the box factory, but nothing has been forthcoming at all. The hon. member for Regina City expresses concern over depletion. I would advise him, before he starts monkeying around with things like this in British Columbia, to look after timber conservation and soil erosion in Saskatchewan. That will occupy his attention for a long time.

Mr. BENTLEY: After forty years of Liberal rule we need to. You are right there, brother.

Mr. GIBSON (Comox-Alberni): As long as he is in the kindergarten stage in connection with lumber in British Columbia, he should stay with something he knows something about. This so-called gang have also played a great voluntary role in reforestation in British Columbia—

Mr. ARCHIBALD: Nuts.

Mr. GIBSON (Comox-Alberni): —and have also taken a leading part in insect and fire control. I can assure the hon. member, if he is worried about no lumber being available in British Columbia for years to come, that as long as he and I are around the country we shall have all the lumber we need for granaries, and I hope, too, that when the people of Saskatchewan get over the mental aberration they have at the present time there will be plenty of lumber for good private homes owned by the common folks.

Mr. THATCHER: I think the hon. member wants to be fair—

Some hon. MEMBERS: Order.

Mr. THATCHER: I think the hon. member wants to be fair. I do not think the hon. member for Regina City described Mr. MacMillan as a gangster. I am not sure, but I do not think that is correct.

Mr. GIBSON (Comox-Alberni): If you will look up *Hansard* you will find it was, "Mr. MacMillan and his gang".

Mr. THATCHER: He did not call him a gangster.

Mr. GIBSON (Comox-Alberni): A gangster is a member of a gang.

Mr. THATCHER: That is your interpretation—

Some hon. MEMBERS: Oh, oh.

Mr. KNOWLES: For an independent member you have quite a gang around you.

Mr. THATCHER: That is the interpretation given by the hon. member for Comox-Alberni, but it is not the interpretation of the hon. member for Regina City, and the hon. gentleman should retract that. In fairness he should withdraw it.

Mr. GIBSON (Comox-Alberni): I think that if anyone is referred to as a member of a gang he is a gangster.

Mr. THATCHER: The hon. member for Regina City did not say that. I must appeal to Mr. Speaker. I think the hon. member should retract that statement, because the hon. member for Regina City did not call Mr. MacMillan a gangster.

Some hon. MEMBERS: Sit down.

Mr. THATCHER: I will not sit down.

Mr. DEPUTY SPEAKER: Order. The hon. member who has the floor should not be interrupted.

Mr. GIBSON (Comox-Alberni): I will give my hon. friend the interpretation which I think is the right one.

Mr. THATCHER: The hon. member for Regina City did not say what the hon. member said.

Mr. DEPUTY SPEAKER: I must insist that there are too many interruptions. The hon. member who has the floor should be allowed to continue his speech without so many interruptions.

Mr. PROBE: Has he been quite parliamentary, Mr. Speaker?

Mr. GIBSON (Comox-Alberni): I should like to give my own rough analysis of the operations of this gang, so called by the C.C.F., and see if anything in their fair province of Saskatchewan can show anything like a similar record. Last year, by this company's operations in the markets of the world, the dominion government received $7,682,000, for which the Minister of National Revenue (Mr. McCann) is very grateful. From Saskatchewan government enterprise he did not get anything. The employees who work for Mr. MacMillan and his corporation received double the Saskatchewan rate of wages, and on top of that they also received $1,382,000 in the form of cash bonuses and in funds set aside to care for their pensions. The shareholders at the same time received a cash dividend of $782,000, or 1·5 cents on each dollar's worth of business done. That left in the company's treasury approximately $6,000,000. And here is where socialist thinking goes off the rails. In the

first place, looking over at the socialist party there, I am sure they could not make $6,000,000 profit to start with. I do not think they have the experience—

An hon. MEMBER: Or the brains.

Mr. GIBSON (Comox-Alberni): I do not like to use the word "brains." They have not the experience or the initiative to run a business of that scope and make a profit of that kind. Certainly the record in Saskatchewan would not indicate that they could.

Mr. ARCHIBALD: You will find out in June.

Mr. GIBSON (Comox-Alberni): With reference to the lumber business in British Columbia, I might say that during the war that was one thing which the Minister of Trade and Commerce (Mr. Howe) could bow his head for, because, as a matter of fact, I am sure he would say it is not a good thing for the government to undertake lumber business in British Columbia, as he will know from his own experience.

This $6,000,000 profit, which seems to be the cause of controversy among my socialist friends, is being reinvested in my riding to place another $6,000,000 there. There is only one reason in this world why this other $6,000,000 is coming to Comox-Alberni, and that is the fact that the people putting it in are quite sure there will never be a socialist government there.

Mr. ARCHIBALD: You haven't got a Liberal government there.

Mr. GIBSON (Comox-Alberni): Just to finish off this particular subject, I want to say that the operations of this company, and hundreds of others like it in the riding, have all added up to a higher standard of living for the people there than in any other place in Canada. The reinvestment of the money that was made from the resources of the riding assures us for the future that these people working in the lumber industry will have jobs in perpetuity for themselves and their children. I feel that any time free enterprise companies such as these have to become the subject of criticism in this house it is time something was done about it.

Mr. J. A. BLANCHETTE (Compton): My intention in taking part in this debate at this stage, Mr. Speaker, is not to delay unduly the proceedings of this house by making extended remarks but rather to emphasize some of the points which undoubtedly some of the other speakers have already touched upon, but which I feel should be reiterated in view of the recent turn of world affairs.

[Mr. Gibson (Comox-Alberni).]

I have the honour to represent Compton county in this honourable house, which county forms one of the eleven ridings known as the eastern townships in the province of Quebec. Its main occupations are agriculture, industrial occupations and lumbering. Its people consist of descendants of loyalist stock and early French settlers; and in this section of the country we find no problem of Canadian unity, being all proud as we are of the name of Canadians, believing Canada to be the best country to live in today, and therefore believing heartily in the summing up contained in an article in the *Atlantic* magazine of January last, which states:

> The various pieces of very complex national policy which Canada is fashioning fit together into a long-range program which shows solid and consistent thought, and is a credit to what is perhaps the best managed democracy on earth.

This declaration, coming as it does from a neutral and outside source surveying and commenting upon world affairs, as it has done for the past ninety years, is high tribute to our Prime Minister (Mr. Mackenzie King) and also to the members of his cabinet. There is perhaps an additional reason for pride and appreciation on the part of the eastern townships with regard to this declaration, since we have a native son of Compton among the cabinet ministers in the person of the Secretary of State for External Affairs (Mr. St. Laurent), whose Canadianism and statesmanship have brought pride and admiration not only to Compton county, not only to the eastern townships, but to the whole country at large.

Since the close of the war the attention of the world has been focused on the possibilities of European recovery. The trade agreements signed at Geneva, the ITO conference at Havana, the restriction of Canadian imports and consumption, the recalling of the United States congress at an earlier day than usual, and likewise the calling of our own parliament in December last—all these events serve to underline the obvious fact that all parts of the world suffer when great trading areas are disabled. Satisfactory trade relations for any country can develop only as rehabilitation of such trading areas proceeds.

As is well known, Canada is in an outstanding position as a world trader, and the recent Geneva trade agreement is of the utmost importance to the people of Canada and its economy. That Canada has a great economic interest in Europe's recovery cannot be denied. It may not always be realized that, before the war, western Europe—now representing those European countries outside the Russian sphere—and the United Kingdom

together accounted for almost forty-five per cent of the total world trade. Since the war, forty per cent of Canadian exports went to Britain and western Europe during the first nine months of 1947. The importance for Canada of European developments is revealed especially when these exports are broken down into groups of commodities. Britain and western Europe were taking all our exported wheat and nearly two-thirds of our flour. Britain is the principal market for our meat, cheese and eggs. It also takes a third of our exports of planks and boards and all our pit props. Western Europe and Britain absorb a third of our nickel, half of our zinc and lead, two-thirds of our aluminum and four-fifths of our copper. Western Europe is taking two-thirds of our rubber products, most of our locomotives and the greater part of our ships. It is therefore apparent that the prosperity of all the regions of Canada, from the maritimes to British Columbia, is dependent to a certain extent on what happens in Europe.

The Geneva trade agreements entered into by twenty-three separate countries are for three years' duration, so that at the end of that time Canada shall be free either to continue or to refuse to renew these agreements. Our 1935 trade agreement with the United States was for three years and this has continued since with no disturbance. In addition, the Geneva trade agreements prepared a draft charter for a world trade organization. I sincerely feel that it is to the interest of Canada, of labour and agriculture, to accept these trade agreements in order that the country may continue to progress and to obtain its large share of the world export trade.

A recent release supplies the information that under the Marshall plan, which is to be accepted shortly by the United States congress—let us all hope—Canada is to share the greater portion of the $2 billion total which will be provided for European recovery, all of which will greatly relieve our shortage of United States dollars; for it is recognized by all, I believe, that although dollars will not save the world, the world today cannot be saved without dollars. The whole free world now has its eyes on the adoption of the Marshall plan, opposed to which is one other plan only, namely the Molotov plan. Without the re-establishment of economic health and vigour in the free countries of Europe; without the restoration of their social and political strength, necessarily associated with economic recuperation, the prospect for free people everywhere to find peace with justice, well being, and security for themselves and their children, will be gravely prejudiced; and by corollary, so will economic health and vigour in our country.

This endeavour of the new world to help the old is neither sure nor easy. The plan has rightly been called "a calculated risk." Already, within the last few days, it has been forcibly brought home to us and to the whole free world that political sabotage and communistic activities are rampant against the realization of the recovery of Europe. Last week, as we all know, was an intensely drastic week in history, when the tempo of the struggle over Europe was vastly and suddenly stepped up. Swiftly last Wednesday Czechoslovakia fell under complete communist control. Two days later there were signs that Finland might be next. Since last summer the communist drive has resulted in the following countries now being or about to come under complete communistic control: Poland, Yugoslavia, Roumania, Hungary, Bulgaria, Albania, Czechoslovakia and Finland. These countries represent a total area of 565,000 square miles, with a total population of 100,000,000. So that today in Europe the population is divided in this way: the population of Russia in Europe and satellite countries, 268,000,000; the population in the European recovery program area, 264,000,000.

Czechoslovakia has served the world as a laboratory for a test as to whether or not communism and democracy can govern together in the same state and participate in the direction of the same society. The destruction of democracy has been the result of the experiment. On Thursday of last week the United States, Britain and France issued a joint statement, as follows:

> By means of a crisis artificially and deliberately instigated, the use of certain methods already tested in other places has permitted the suspension of the free exercise of parliamentary institutions and the establishment of a disguised dictatorship of a single party. The consequences can only be disastrous for the Czechoslovak people.

Then a few days ago Anthony Eden, deputy leader of the opposition in Britain, and a former foreign secretary, had this to say:

> What is really required is immediate positive action on our own account. If the policy of a western union is to be fully effective it must be one of mutual assistance covering economic and political fields.

Recently Senator Arthur Vandenberg, chairman of the United States foreign relations committee, set March 15 as the target date for the acceptance of the Marshall plan, adding:

> The decision which must now be made is whether we shall continue to achieve our goal: the establishment of a stable world with free political institutions and the rule of law. World stability and European stability are inseparable; free institutions and genuine independence cannot perish in Europe and be secure in the rest of the world.

I have cited these declarations, Mr. Speaker, to show in what a precarious position all free countries find themselves today, whether in the old world or the new. Therefore it would appear to me that we in Canada should be on our guard at all times against any action which might be interpreted by some as undermining constitutional authority. I heartily endorse the excellent remarks made last week by the hon. member for Athabaska (Mr. Dechene), whom I see in his seat at the moment, and trust that others will weigh the portent of his speech. Freedom of speech and freedom to criticize in a democracy do not carry with them the licence to represent constituted authority as public enemy No. 1.

Again, all governments, whether municipal, provincial or federal, should do their utmost to establish economic and social security. As far as the economic field is concerned, the world is passing through such an intensive transition that it behooves all of us to be on the alert not only for the maintenance of our present living standards but for their improvement when occasion arises and it is possible to do so. In the social realm Canada has to its credit unemployment insurance, old age pensions, pensions for the blind, pensions to veterans and widows and family allocations. But it would appear to me that there is one gap in our social legislation, which is created by the lack of assistance to persons who are physically unfit to earn their living, and this irrespective of their age; young people who are invalids, older invalids who are middle aged or too young to qualify for the old age pension. Two years ago the hon. member for Terrebonne (Mr. Bertrand) introduced a resolution advocating assistance to these people; the resolution was introduced again this year; and I trust that, when possible, the government will do its utmost to come to the assistance of such people, who are greatly in need of state help, as a worthy measure of social security.

It is to be regretted that with respect to further social measures, as planned in the dominion-provincial program by this government, certain provinces have seen fit to refuse the plan on the ground of autonomy, when autonomy was never to be violated since it was recognized that a central government can only be as strong as the individual provinces maintain their respective autonomy. It is all very well to make general statements by way of attacks against provincial autonomy; but I still have to hear, as far as Quebec is concerned, in what specific case or cases its autonomy was violated. The suggestion made some time ago by the federal government that old age pensions be paid needy persons at sixty-five years of age was a proposal which certainly would have alleviated many cases of hardship and misery throughout the country. In my humble opinion the payment of old age pensions at sixty-five to needy persons, and the payment of pensions to crippled or unassisted persons unable to earn their living because of permanent physical disability, are the two most important social measures which should receive the attention of the government at the earliest possible opportunity. I sincerely trust that this government will do its utmost to assist in bringing security, both economic and social, to those two categories of needy citizens of Canada.

It was through the efforts of a Liberal administration that in 1926 the Old Age Pensions Act was passed, under which to date some $132 million has been distributed in the province of Quebec. In that province the blind have received pensions totalling $5,000,000. Together these two items amount to $137 million, of which the federal government has paid $103 million. In 1943 I had the honour to introduce in this house a resolution in favour of family allocations, which measure was placed in our statutes.

Since July 1, 1945, payments totalling $221 million have been made to Quebec, and each month 465,000 Quebec families are now receiving this assistance to help provide their children with better food, clothing and medical care, and with increased opportunities for training and education. To date, family allowances have brought to the province of Quebec a total in excess of $324 million and the other provinces have shared proportionately in this measure.

When the measure of family allocations was first brought up, we recall that, for one, the present Premier of Quebec castigated this proposal as one affecting autonomy, which argument, however, soon became on his part one of tautology.

Humanitarian and effective measures of economy to increase the security and well-being of our citizens represent Canada's answer to communism and other isms which rise in materialism, and thrive on misery, disorder and revolution if necessary.

No time more than the present holds more promise for the free nations of the world; and yet no time more than the present demands sagacity, judgment, experience in international affairs and the keeping of the peace in a changing civilization in both domestic and international affairs, if these same free nations of the world are to survive.

Mr. NORMAN J. M. LOCKHART (Lincoln): Mr. Speaker, I desire to associate myself with much of what was said by the hon. member for Compton (Mr. Blanchette). His comprehensive review of world conditions is something to which I believe we can all subscribe. I noted that the hon. member referred particularly to the Secretary of State for External Affairs (Mr. St. Laurent). I thought perhaps he might have included some other ministers in his eulogies, because I do not think it is fair to single out one aspirant for leadership without giving an equal chance to the others. The Minister of Agriculture (Mr. Gardiner) would seem to run a very close second, with perhaps the Minister of National Health and Welfare (Mr. Martin) trailing along a little bit in the rear.

I should like also to associate myself with what was said by the hon. member respecting communistic tendencies. May I, in a word, offer a tribute to the immigration officials who at this time are trying to sift the wheat from the chaff in Europe. I am sure each member in the house will extend to them his best wishes for success in their efforts. I do not know of any task which could be given any group of public officials more difficult than would be that of trying to keep out of this Canada of ours those having undesirable tendencies.

I noted the hon. member's reference to health services, and I should hope that the Minister of National Health and Welfare would pay close attention to the speech delivered this afternoon by the hon. member for Lanark (Mr. Blair), and that the hon. member's speech may register with the minister. May I express the pious hope that we may not have to wait until just prior to a general election to have in Canada proper health measures, as happened in connection with the baby bonus bill?

I have noted that it is the tendency of most hon. members to discuss matters having particular reference to their own constituencies, and with that in mind I propose to deal briefly with the constituency of Lincoln. This debate would appear to be the sounding board through which hon. members may place on record the merits of their particular constituencies. I am particularly favoured in that the historic county of Lincoln needs no advertising in the House of Commons, nor does the garden city of St. Catharines located in the very heart of that county.

It is a byword that over a hundred years ago that great and fertile area of Lincoln county, in which is situated the garden city of Canada, was the cradle of democratic government—and that at a time long before confederation. In old Upper Canada it was in what was then known as Newark, now Niagara-on-the-Lake, that government in Upper Canada was born. The names of Secord, Service, Chrysler, Butler and many others stand out pre-eminently in Canadian history. This area was the scene of battles in the war of 1812-14. It was in this district that the battles of Queenston Heights, Lundy's Lane and Beaver Dam were fought, battles which did so much to stem the tide of the irresponsible government then threatening our future. I say, therefore, that Lincoln county forms a most important part in the history of Canada, not only in early days but at the present time.

When one passes on to those more important matters with which the people of my constituency are concerned he finds that the housing problem becomes of first importance. This afternoon I shall be content to try to reflect some of the utterances one hears when at week ends he is privileged to visit his home. I should like to pass on to the house some of the criticisms heard. Strong criticism is made respecting the diversion of essential building materials to non-essential buildings, and the consequent neglect to have those materials made available for housing. Many of the complaints come from veterans. I have made a careful inspection of some of these complaints and I say without hesitation that the veterans in particular, if not the citizens at large, are justified in the criticisms they make.

I should like to draw the attention of the Minister of Veterans Affairs (Mr. Gregg) to a situation that exists in my constituency. Yesterday the minister stated that the situation prevailing in the Braefoot subdivision in British Columbia would be referred to a parliamentary committee. This committee has not yet been set up and the government does not seem to be in any hurry to set it up. It is not necessary to refer the matter I have in mind to a committee. I hope that I can make the situation so clear to the minister that he will not require to do anything but take action.

If the Minister of Labour (Mr. Mitchell) were in the house at the moment I would suggest to him that he pay close attention to the situation which exists in Niagara Falls and Welland, two progressive cities in his constituency. I think he would find that certain discrepancies exist in connection with Veterans Land Act houses there and he would be well advised to check those particular developments.

I want to direct the attention of the Minister of Veterans Affairs to the conditions

that exist in connection with a group of veterans' houses which were built in the vicinity of St. Catharines. The former minister of veterans affairs knew all about this situation because I brought it to his attention well over a year ago. He stated in the house that these houses would be put in first-class condition and that the taxpayers would foot the bill, and he suggested that the cost may be in the neighbourhood of $1,000,000. It will be interesting to follow this through to the end. I have been watching the progress being made in this one small subdivision and I shall be interested in getting figures of the complete cost a little later on. I want to commend the former minister for really attempting to put these houses in fair condition at considerable expense. There has been some improvement in the original set-up.

I would say to the present minister that the condition in connection with septic tanks is still abominable. All last summer they were digging up these septic tanks. A week ago I was in one house which has a sump pump in the basement, and the stench—I cannot call it anything else—that arose from the hole in which the pump sits was such that I would not think any person could live in the house. I am not trying to raise an issue that has no foundation. The condition that exists indicates clearly to me that the water pumped out of the sump goes into the ground and probably absorbs part of the pollution from the septic tank which is only twenty feet away. It probably joins with the liquid from the septic tank, then flows back through the weeping tile into the sump again, and there you have a perpetual motion.

I say to the minister that proper drainage beds must be provided. This thing will have to be approached in a scientific way.

Last summer they had professors from the agricultural college out there as well as other technical men, but the condition still exists. The former minister wrote to me saying that these veterans would not have to sign contracts until these conditions were rectified. Then one, two or three days after the first septic tank was dug up, representatives of the Department of Veterans Affairs were on the doorsteps of these veterans demanding that they sign contracts.

I say to the minister that that kind of thing is breaking faith with the veterans. Some of them signed because they felt they were more or less coerced into doing so. The interior painting, the exterior painting and other things had been taken care of and they felt that they might sign. They now find that their protection has been more or less taken

away because their septic tanks are not in proper condition and they have signed contracts at increased prices. As I say, the former minister said in this house that the added cost would not be a tax on these veterans homes. I want a statement from the minister in due course as to the increased prices which have been put into some of the new contracts. I cannot accept any evasion in this matter.

Having brought this matter to the attention of the minister, I hope that he will proceed to have it cleared up, not when the veterans affairs committee is set up but immediately. The moment spring breaks, this putrid and polluted condition will reappear as it did last summer when the stench was simply unbearable. These veterans cannot put up with it for another summer season.

I want to pass along to something that has been of particular interest to me ever since I have been in this house. I have listened to our friends of the C.C.F. and our friends of the Social Credit group who have spoken about the development of our oil resources. I have watched the type of fuel that comes from the United States. Those of us who have anything to do with the distribution of fuel sometimes think it is just the screenings, what might be swept up off the floor. Yet this type of fuel is selling today at very high prices, anywhere from $19 to $20 a ton. Its value is much less than in former days. Oil prices, too, are continually rising, and if somebody shuts off the tap in the United States we shall be in a pretty fine pickle here in Canada. Not a day passes but we hear about the shortage of electric power, and the provincial governments are struggling to cope with that shortage. We hear of blackouts; I think we have had one or two electric power blackouts in the city of Ottawa. In view of all these circumstances I ask the government: When, oh when, are you going to wake up to the necessity of formulating a national fuel, oil and power policy in this country?

During the war days the Minister of Trade and Commerce (Mr. Howe) talked about what would happen in the reconstruction period. But here we are, going on year in and year out, with a shortage of coal, oil, and electric power, and the government putting up with it. We have been told over and over again that we have in Canada all these resources at our very fingertips and that all that is needed is a policy to develop them. Therefore, Mr. Speaker, I am in sympathy with the members of the Social Credit group who have urged year after year that our oil resources be developed. They were developed to a certain extent to meet an emergency that arose during

the war, but I am told that all that equipment has been dismantled and scrapped. Again I urge the government, with all the power I possess, to formulate a real fuel, oil and electric energy policy for this country. Ever since I have been in this house I have heard the hon. member for Davenport (Mr. MacNicol) describing the surveys that he has made of our fuel, water and power resources and detailing the wonderful possibilities for their development. I bring that to the attention of the government, which I think has been very remiss in not assuring the people of this country that something will be done in this regard.

I find in my constituency terrific criticism of the cost of government. I received a letter not long ago asking me the number of personnel in the government service. I could only write back and say that there were 69,000 more than there were before the war. The people back home just cannot understand why this terrific expense continues. They want to know when it will cease. Immediately they cast reflections on the Minister of Finance (Mr. Abbott) for continuing the eight per cent sales tax and the twenty-five per cent excise tax on washing machines and refrigerators that the veteran needs to furnish his home. The tax is off again, on again, so that the veteran is just about fit to be tied. It is just about time that we got down to knowing where these people are and where they are not.

I know of three veterans who are building small homes. They have calculated the percentage of their gratuities and re-establishment credits that is absorbed by taxes of this type, and I warn the Minister of Finance that if he does not change the situation he will hear a protest, the like of which he has never heard before, against government policy, particularly as it applies to the veteran and the household equipment he has to buy.

Further, if the Minister of Finance does not take steps to enable the owner of a home, particularly the veteran, to get possession of his property, he will hear plenty from that quarter. I appreciate that there is a shortage of houses; nevertheless present regulations are causing hardship to the veterans, who are being done a grave injustice as I view the situation after careful investigation of all these circumstances.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. LOCKHART: Mr. Speaker, during the dinner hour one hon. member came to me and, in a tone of surprise, said he had never heard of the advantages of that part of the Dominion of Canada which I have the privilege of representing. I thought that perhaps in fairness to him I might have taken the rest of my time to inform him, but I realize that I have but a few minutes at my disposal and therefore I propose to spend an entire evening with him sometime in order that I may properly inform him. Apparently he is the only one who does not know. He comes from a very remote part of the country and I shall make it my business on another occasion and in a more advantageous way to tell him all about that part of Canada which I represent. An hon. member to my right suggests that I might take him home on a week end. Perhaps it would take a whole week end to describe adequately the garden of Canada, the garden city of St. Catharines and all that goes with it.

Mr. REID: It is beautiful.

Mr. LOCKHART: There is no doubt about that. I appreciate that, for the hon. member for New Westminster has been there and he knows.

Mr. REID: You took me around.

Mr. LOCKHART: During the few minutes at my disposal I wish to bring one important matter to the attention of the government. I desire to say something on behalf of the forty odd flying clubs at present operating in Canada who are finding it very difficult to carry on their operations. I have no wish to deal at too great a length with the subject, but I should like to go back to the year 1935 or perhaps shortly before that. It was at that time that I first discovered and observed what the few flying clubs then in existence were actually accomplishing in the development of aeronautics. I also discovered at that time the extent of the help that came from enthusiastic citizens, men of means, men of vision, who saw the necessities of the future.

Air training was just beginning to grip the imagination of our youth. In my own city, as I recall, when the one-seater Moth planes used to fly overhead the boys of those days gazed in amazement and wonder. I say it is well that those flying clubs assumed the responsibility they did. As I remember, the department of civil aviation lent some aid. In my own city, the city council gave financial assistance. But the greatest contribution in those days came, in my opinion, from the young men themselves, young men who almost denied themselves the necessities of life in order to equip themselves so that they might reach their objective, which was to become air pilots.

About that time war clouds began to descend. They were hovering overhead, and there were many misgivings not only in government circles but on the part of the people generally who began to wonder what was in the offing. Airports began to grow up. Perhaps behind the scenes there was an influence of which some of us knew little.

As one looks back over those twelve or fifteen years, I think we have to express thanks, yes, to Providence, Mr. Speaker, that those things did happen and that our people were becoming air-minded. I recall with considerable pride the time when one class of candidates graduated from our small flying school. I believe there were fifteen of them. One or two, because of vision and other difficulties, took up ground work and technical work.

Yes, Mr. Speaker, those were important days and they meant much to us in the years that followed. Then the darker days came. Britain was attacked. Our boys who had received their pilots licences, and those who had learned ground-crew work, technicians in large numbers from my own particular area, went in defence of Britain to help her in her dilemma. A great many of those young men—and I am sure that what is true of my area is true of many other parts of Canada—went over and joined the Royal Air Force. Canada owes a great debt of gratitude to those young men, because many of them never returned and never had an opportunity even of transferring to their own R.C.A.F.

This was before the commonwealth air training scheme was mooted. There have been many criticisms about delay in connection with that scheme, and I will not go into that tonight, though it is a story in itself. But I say that none were more critical than those young pilots whose ambitions were being thwarted to some extent.

Then the war clouds broke. The government finally took action, and I say that the accomplishment of our youth is one of the proud spots in Canada's contribution to the war.

About that time elementary schools began to grow throughout the dominion. Elementary No. 9 was established in my area and a subsidy was paid by the government for every pilot who graduated from those different schools.

I want to pause, Mr. Speaker, to say just a word to those public-spirited citizens who put up the large sums of money required by the government before an elementary school could be started. I wish to pay a word of tribute to many real citizens across this country who made those schools possible. As I recall it, although I am subject to correction, $35,000 was the sum which had to be put up. In connection with elementary school No. 9 in Lincoln county, I want to say that the money was given without interest and was given wholeheartedly. I am quite sure that not one cent of interest was ever collected by those men who put up the large contribution which made possible the establishment of our elementary school.

The war was won and the R.C.A.F. played an important part. The forty odd airports in Canada are now trying to carry on alone. The government seems to have lost interest in them.

Mr. DIEFENBAKER: They have lost all interest.

Mr. LOCKHART: Financial help is being curtailed. As I understand it, the subsidy has been stopped. Consequently these flying clubs are finding it difficult to carry on. They are faced with increasing cost of gasoline, maintenance and parts. Everything is costing a great deal more than it did prior to and during the war. The grim part of it all is that on March 2, 1948, the war clouds are again appearing distinctly on the horizon. In spite of the experience we had, and in spite of the sacrifice of thousands of young men who gave their best—and the government needed their help badly—these flying clubs are being left to fight their own battle.

In conclusion, I wish to urge the government to get behind these forty odd flying clubs. I want the government to impress upon these clubs the fact that their efforts have been and are now being appreciated. I want the government to help these clubs for at least one year. They are the nucleus of an organization, the need of which none of us knows how soon may again arise. A year's procrastination might prove disastrous. I urge the government to increase their interest and not decrease it. I was in consultation with one member of the executive of the flying club in my own area and he expressed willingness to submit to the government their figures on costs, and any information that the government requires; but, as one of the senior officers of the local flying clubs, he pleaded that the government show more interest in their work. A new generation of youth is still being thrilled by even the Moth plane that flies overhead. So I again make an urgent appeal. The world picture is not too reassuring. With all the persuasiveness that I possess, I ask the government to keep our pilots in the air. We dare not do otherwise in the light of events in the world today.

Mr. STANLEY KNOWLES (Winnipeg North Centre): I propose to address my remarks tonight, Mr. Speaker, to one general subject, namely, the older citizens of this country, with particular reference to their need for, and their undoubted right to, old age security. At the outset I want to say that in my view living conditions in Canada, on the average, are unquestionably better than they are in many other parts of the world. That, of course, is a somewhat comforting thought to those in Canada who enjoy the average standard of living, and it is a very comforting thought to those who enjoy a standard of living above the average. But my concern, and I think it should be the concern of all members of parliament, is with those who live at a standard below the Canadian average, and there are millions of them in this country. As I see it, it is a sad commentary on the government and its supporters that they spend so much time in boasting of the standard of living in Canada and fail to recognize the stark tragedy of insecurity which faces millions of our people. I could speak tonight of wage earners who, week after week, take home $10, $15 or $20 less than is necessary to provide their families with a proper standard of living. I could talk of housewives trying their best to buy sufficient food out of the money that is available to them for that purpose. I could speak of the plight of parents who see the family allowance that was given to them a few years ago wiped out by the increased cost of living. I could speak of housing conditions, of doctors' and hospital bills that mortgage the future of a great many of our people, to say nothing of the failure thus far to prepare adequately for the health of all Canadians along the lines suggested this afternoon by my good friend the hon. member for Lanark (Mr. Blair). But I have chosen, as I have already indicated, to confine my remarks tonight to the insecurity of old age in Canada.

I now want to confront the house with the fact that this problem of old age insecurity is not only one which should concern us right now in the month of March, 1948, on behalf of the old people now with us in this country, but is one which will become more serious as time moves on. In the face of that, I submit that if we are worth our salt as public representatives we must come to grips with this problem in a much more effective and satisfactory manner than has yet been done.

A moment ago when I said this problem would get worse I overheard someone to my right ask why. Well, I have here the answer, in some information which I have secured from the Dominion Bureau of Statistics. First, this page of figures gives a breakdown of the Canadian population by age groups for each ten-year period from 1851 to 1941. According to these figures, in 1851 only 2·7 per cent of the Canadian people were sixty-five years of age and over; but that percentage has increased every ten years since then, until in 1941, 6·7 per cent of the Canadian population was sixty-five years of age or over. The increase has been not only in percentage terms but also in absolute figures. That increase took place at the general rate during the ten years between the last two censuses. In 1931, according to these figures, 5·6 per cent of our people were sixty-five years of age or over, and the number was 575,830. In 1941, as I have said already, the percentage was 6·7, and the number was 767,815.

This table indicates that there has been a similar increase, both in percentage terms and in absolute figures, in those between the ages of twenty and sixty-four. In 1851 some 41 per cent of our people were in that age bracket. In 1941 the percentage was 55·8 between the ages of twenty and sixty-four. Obviously there must have been a percentage decline somewhere to account for the percentage increases in these upper age brackets, and that percentage decline has taken place in the age group zero to nineteen. In 1851 some 56·3 per cent of the Canadian people were nineteen years of age or under, while in 1941 that percentage was only 37·5. In other words, we in Canada are an aging population.

In addition to the set of figures to which I have already referred, I hold in my hand a copy of bulletin No. 4, issued by the Dominion Bureau of Statistics in 1946, entitled, "The Future Population of Canada." This is indeed an excellent piece of work, which provides a great deal of useful information. On page 30 of the booklet I find a table which points out that in 1971 our population of sixty-five years of age and over, which in 1941 numbered 767,815, will be 1,523,000. In other words, by 1971 our population of sixty-five years of age and over will be in absolute terms, just about double what it was in 1941. At that time our people sixty-five years of age and over, instead of being 6·7 per cent of the population as was the case in 1941, will constitute 10·4 per cent of the Canadian population.

I submit that these estimates in regard to the future population of Canada—and they are official estimates from the Dominion Bureau of Statistics—highlight the fact that the problem of old age security is one that we must tackle with a great deal more determination than has yet been shown by the government of the day. This afternoon I asked a question I have asked many times before in this house,

as to when we might expect an improved old age pension plan. Of course I was given the stock answer that government policy will be made known in due course. I suggest that the situation is bad enough today, when 6·7 per cent of our people are sixty-five years of age and over. Today's provisions will not at all fill the bill twenty-three years from now, when 10·4 per cent of our population will be in that age bracket.

There are those whose reaction to these figures will be that this increase in the percentage of people sixty-five years of age and over might be counterbalanced by a decline in the percentage of those younger, which some would say might provide more room for employment for older people than is the case today. Entirely apart from my own objection to that idea, my own feeling that when people reach that age they are entitled to retirement, in any civilized society, there are two facts which speak against it. On the one hand, there is the fact of the technological improvements that are taking place all the time. The other reason is the one to which I have already referred, namely, that there is also taking place an increase both in the percentage and in the absolute number of Canadians between the ages of twenty and sixty-four, with a particular increase shown in the group around forty-five and fifty.

Just incidentally I remind hon. members that people in this age group are already having unemployment problems of their own. That is something else with which we must concern ourselves, in addition to old age security; that is, the rights in our society of those in the age group forty-five to fifty and fifty-five. The figures on page 29 of the booklet to which I have already referred indicate that at the same time as there is this increase in the percentage of those sixty-five and over, there will be an increase in the percentage of those between forty-five and sixty-four. Thus the problem of finding something for the older people to do will not be solved by any lessening of those in the next younger group.

But may I suggest that the fact to which I have just called attention, namely, the parallel increase in the percentage of those in the working years, is not only a difficulty; it also provides an opportunity for the development of an economy that will provide better old age security. The simple fact is that if there are more people available for work in the ages from twenty to sixty-four, or take any section of that bracket you wish, it means it is possible to produce, with the working force we will have, sufficient wealth to provide security for our old people, as well as proper care and maintenance and education for the children of the land. And may I suggest that this idea, while it is my own, is supported by conclusions to which the Dominion Bureau of Statistics comes in bulletin No. F-4. I wish time would permit me to read more, but I shall limit myself to just a few sentences. On page 31, I find this:

> Secondly, the proportion of children in the population begins to decline in the period 1941-1971, while the proportion of old people continues to rise. The former decreases more rapidly than the latter increases so that the trend for the period is toward a state of lighter dependency.

And note this sentence:

> This trend, together with the increase of productive workers, suggests that the burden of dependency will be spread over a greater number of people, and hence the effect of an increase in the aged population with the heavier burden which it entails will not be so costly a problem per capita.

In other words, this situation I have presented, which might strike some hon. members as something of a problem, is looked upon by the Dominion Bureau of Statistics as creating a situation in which we can do a better job toward providing old age security, because of the increased number of workers in the working ages which we shall have in this country.

Not only does the Dominion Bureau of Statistics point to the possibility of this sort of thing being done, but it urges that it must be done; for on the same page I read this:

> The trend toward an increasing proportion of old people in the population implies intensification of the problems of the aged. The emphasis upon change and the depreciation of tradition prevalent in modern industrial society, and the social structure which such a society engenders have placed the aged in a precarious economic and social position in which more of the responsibility for their welfare is being of necessity assumed by the state.

Then the bureau goes on to say something I like very much. It points out that not only is there the necessity of greater social security for older people being provided by the state, but that we must begin to give thought to the position of older people in our society. In other words, they will not be satisfied just with being the recipients of an adequate old age pension, if that means being put on the shelf. The paragraph concludes with this sentence:

> More thought will probably be given in the future not only to the problem of widening state services for the aged but also to careful consideration of the whole position of the aged in North American society.

I commend that to the house, not just as an academic study but as a suggestion that

this indeed is a problem about which we should be concerning ourselves now in 1948, and not waiting until 1971 arrives.

With regard to the present, the staggering fact is that, even with the means test restrictions at present attached to our old age pension legislation, a tremendous percentage of the Canadian people over the age of seventy are able to qualify for the old age pension. In 1941 there were 460,091 Canadians seventy years of age or over. I find that 186,863 of them, or 40·6 per cent, were on old age pensions. This indicates that 40·6 per cent of Canadians in 1941 over seventy years of age were sufficiently destitute to qualify for old age pensions.

The figure of 186,863 in 1941 had risen to 215,889 as at September 30, 1947. I have been unable to get the exact figure as to the total number of Canadians in 1947 aged seventy and over. But by doing a bit of simple interpolating I find that the same percentage of roughly 40 per cent of Canadians at the age of seventy are qualifying for the old age pension. May I point out also that the figure 186,863 in 1941, which was 40·6 per cent of the people over seventy, was 1·7 per cent of the Canadian population as a whole.

Again, if we look to the future, in 1970 Canadians seventy years of age and over—and I take my figures from the same booklet—will number 955,000. If by any chance the qualifying age for old age pensions is still seventy in 1970—and heaven forbid—then 40 per cent of that population seventy years and over will be 382,000 persons, or 2·8 per cent of the estimated population in 1970 of roughly 14,000,000.

I have also a figure in this connection which relates to 1971. I take these figures according to the statistics that are available. I now take the age of sixty-five and over in the hope that surely by 1971, even if this government is still in power, the qualifying age for the old age pension will have been brought down to sixty-five. It ought to be that right away for men, and sixty for women.

But let us assume for statistical purposes that the qualifying age is sixty-five in 1971. If that is so, there will be in that year 1,523,000 persons who are sixty-five years of age and over; and if 40 per cent of them qualify the number will be 609,200, or four per cent of the total population, which it is expected will be 14,600,000.

I have given these figures, at the risk of confusing the house with so many of them, to point up the statement I made some minutes ago that the problem of old age insecurity as it is today, or old age security as it should be, is one to which we should give our attention, both because of the plight of the old people in this month of March, 1948, and because if we are worth our salt as members of parliament we should be laying a proper foundation for the future life of this country.

I was led to look up these figures because of references made to them in the past by the Minister of National Health and Welfare (Mr. Martin), and by his predecessor, who produced figures from the same source to argue with us in this group that our demands for old age pensions of $50 a month at age sixty-five were impossible to meet now, and would be still more impossible to meet a few years hence, because of the increase in percentage of old people.

I submit that an honest facing of economic facts, and a courageous facing of our responsibilities as members of parliament, leads us not to be frightened by figures like this, but to accept them as a tremendous challenge and opportunity. I must remind the house that, after all, the Dominion Bureau of Statistics is not concerned about philosophy or politics, or anything other than just plain hard facts; yet it comes to the two-point conclusion: (a) that something more must be done for the old people, and (b) that something more can be done, because there will be a larger working force in the ages around forty, fifty, and fifty-five.

I have made fairly abundant references to these tables. So far as my argument is concerned, all the figures I wish to give I have now presented to the house, and I am not asking that these tables be put on the record for my purposes. So far as I am concerned, my argument at this point is complete. I feel, however, that these figures as to changing percentages of population with respect to ages in both the past and the future, and figures with respect to the working force in the next twenty-three years are valuable and would be useful to hon. members and to those who read *Hansard* for reference purposes. For that reason I suggest that the house might give its consent to the tables being placed on record.

Some hon. MEMBERS: Agreed.

Mr. SPEAKER: Has the hon. member the unanimous consent of the house?

Some hon. MEMBERS: Yes.

Some hon. MEMBERS: No.

Mr. KNOWLES: As I explained, it is immaterial to me personally. I have completed this phase of my argument but I thought these

figures which come from the Dominion Bureau of Statistics would be useful.

Mr. SPEAKER: If the hon. member has unanimous consent he may put them on the record; if he has not, unfortunately he cannot.

Some hon. MEMBERS: Agreed.

Some hon. MEMBERS: Carried.

Mr. KNOWLES: Thank you. The tables are as follows:

NUMBERS AND PERCENTAGES OF THE POPULATION IN SPECIFIED AGE GROUPS, CANADA, CENSUS YEARS, 1851-1941

Age	1851					
	Male		Female		Both Sexes	
	Number	P.C.	Number	P.C.	Number	P.C.
Total	1,211,346	100·0	1,150,376	100·0	2,361,722	100·0
0–19	672,084	55·5	657,097	57·1	1,329,181	56·3
20–64	505,048	41·7	463,720	40·3	968,768	41·0
65+	34,214	2·8	29,559	2·6	63,773	2·7
	1861					
	Male		Female		Both Sexes	
	Number	P.C.	Number	P.C.	Number	P.C.
Total	1,622,482	100·0	1,536,894	100·0	3,159,376	100·0
0–19	865,076	53·3	842,507	54·8	1,707,583	54·0
20–64	704,202	43·4	651,337	42·4	1,355,539	42·9
65+	53,204	3·3	43,050	2·8	96,254	3·1
	1871					
	Male		Female		Both Sexes	
	Number	P.C.	Number	P.C.	Number	P.C.
Total	1,810,399	100·0	1,767,360	100·0	3,577,759	100·0
0–19	953,069	52·7	931,612	52·7	1,884,681	52·7
20–64	786,272	43·4	776,368	43·9	1,562,640	43·7
65+	71,058	3·9	59,380	3·4	130,438	3·6
	1881					
	Male		Female		Both Sexes	
	Number	P.C.	Number	P.C.	Number	P.C.
Total	2,159,858	100·0	2,106,183	100·0	4,266,041	100·0
0–19	1,077,709	49·9	1,050,884	49·9	2,128,593	49·9
20–64	989,075	45·8	972,104	46·1	1,961,179	46·0
65+	93,074	4·3	83,195	4·0	176,269	4·1
	1891					
	Male		Female		Both Sexes	
	Number	P.C.	Number	P.C.	Number	P.C.
Total	2,428,936	100·0	2,341,187	100·0	4,770,123	100·0
0–19	1,141,714	47·0	1,109,794	47·4	2,251,508	47·2
20–64	1,172,788	48·3	1,127,037	48·1	2,299,825	48·2
65+	114,434	4·7	104,356	4·5	218,790	4·6

NUMBERS AND PERCENTAGES OF THE POPULATION IN SPECIFIED AGE GROUPS, CANADA, CENSUS YEARS, 1851-1941—*Concluded.*

Age	1901					
	Male		Female		Both Sexes	
	Number	P.C.	Number	P.C.	Number	P.C.
Total	2,721,942	100·0	2,600,296	100·0	5,322,238	100·0
0–19	1,211,379	44·5	1,180,347	45·4	2,391,726	44·9
20–64	1,372,715	50·4	1,288,409	49·5	2,661,124	5·0
65+	137,848	5·1	131,540	5·1	269,388	5·1
	1911					
	Male		Female		Both Sexes	
	Number	P.C.	Number	P.C.	Number	P.C.
Total	3,795,308	100·0	3,374,652	100·0	7,169,960	100·0
0–19	1,549,419	40·8	1,502,001	44·5	3,051,420	42·5
20–64	2,076,284	54·7	1,708,493	50·6	3,784,777	52·8
65+	169,605	4·5	164,158	4·9	333,763	4·7
	1921					
	Male		Female		Both Sexes	
	Number	P.C.	Number	P.C.	Number	P.C.
Total	4,518,055	100·0	4,248,632	100·0	8,766,687	100·0
0–19	1,926,570	42·6	1,894,540	44·5	3,821,110	43·6
20–64	2,377,128	52·6	2,149,359	50·7	4,526,487	51·6
65+	214,357	4·8	204,733	4·8	419,090	4·8
	1931					
	Male		Female		Both Sexes	
	Number	P.C.	Number	P.C.	Number	P.C.
Total	5,371,830	100·0	5,001,185	100·0	10,373,015	100·0
0–19	2,183,859	40·7	2,136,947	42·7	4,320,806	41·6
20–64	2,893,594	53·8	2,582,784	51·7	5,476,378	52·8
65+	294,377	5·5	281,454	5·6	575,831	5·6
	1941					
	Male		Female		Both Sexes	
	Number	P.C.	Number	P.C.	Number	P.C.
Total	5,900,536	100·0	5,606,119	100·0	11,506,655	100·0
0–19	2,184,511	37·0	2,134,075	38·1	4,318,586	37·5
20–64	3,325,116	56·4	3,094,138	55·2	6,420,254	55·8
65+	390,909	6·6	376,906	6·7	767,815	6·7

TABLE SHOWING NUMBER OF PERSONS 65 YEARS AND OVER, BY REGION, 1941-1971

ESTIMATES B AND D

(000's omitted)

Region	Number				Per Cent of Total Population			
	1941	1951	1961	1971	1941	1951	1961	1971
CANADA—								
(B)	765	1,016	1,285	1,529	6·7	8·0	9·5	11·0
(D)	.....	1,018	1,281	1,523	.....	7·9	9·2	10·4
Maritime Provinces—								
(B)	87	100	117	132	7·7	7·8	8·4	8·8
(D)	.....	98	115	132	.....	7·6	8·0	8·4
Prince Edward Island—								
(B)	9	10	11	12	9·5	9·4	9·5	9·7
(D)	.....	10	10	10	.....	10·1	8·9	8·1
Nova Scotia—								
(B)	47	53	62	68	8·1	8·2	9·9	9·4
(D)	.....	52	62	71	.....	7·8	8·4	9·1
New Brunswick—								
(B)	41	37	44	52	6·8	7·0	7·5	8·1
(D)	.....	36	43	51	.....	7·0	7·2	7·6
Quebec—								
(B)	177	223	295	389	5·3	5·8	7·0	8·7
(D)	.....	224	293	386	.....	5·8	6·7	8·2
Ontario—								
(B)	302	373	465	549	8·0	9·2	11·2	13·3
(D)	.....	377	467	554	.....	9·0	10·8	12·6
Prairie Provinces—								
(B)	132	217	289	333	5·5	8·0	10·0	11·1
(D)	.....	212	282	317	.....	8·1	10·0	10·7
Manitoba—								
(B)	46	69	90	103	6·3	8·6	10·7	12·1
(D)	.....	68	89	100	.....	8·6	10·7	11·7
Saskatchewan—								
(B)	46	79	104	117	5·1	7·8	9·5	10·3
(D)	.....	75	99	108	.....	8·1	9·8	10·2
Alberta—								
(B)	40	69	95	113	5·0	7·7	9·8	11·2
(D)	.....	69	94	109	.....	7·7	9·5	10·4
British Columbia—								
(B)	67	103	119	126	8·2	12·0	13·9	15·2
(D)	.....	107	124	134	.....	11·0	12·5	13·5

Note: In the above table, and in the one that follows, estimate B is based, roughly speaking, on the assumption that Canadian population trends will follow the experience of other countries when they were at our current fertility and mortality rates; estimate D is based on an attempt to correct estimate B in the light of changes in Canadian trends during world war II and certain other factors. For general purposes the Dominion Bureau of Statistics recommends the use of estimate D.

TABLE SHOWING AGE DISTRIBUTION OF THE POTENTIAL LABOUR FORCE 15-64 YEARS, BY REGION, 1941-1971

ESTIMATES B AND D

(000's omitted)

Region and Age Group		Number				Per Cent of Total 15-64 Years			
		1941	1951	1961	1971	1941	1951	1961	1971
CANADA—									
15-34 Years	(B)	3,955	4,217	4,278	4,185	52·5	50·1	46·3	43·0
	(D)	.....	4,234	4,371	4,538	.....	50·3	46·8	45·0
35-44 "	(B)	1,434	1,756	2,058	2,039	19·1	20·8	22·3	20·9
	(D)	.....	1,741	2,070	2,041	.....	20·7	22·2	20·2
45-64 "	(B)	2,141	2,455	2,908	3,511	28·4	29·1	31·4	36·1
	(D)	.....	2,443	2,890	3,513	.....	29·0	31·0	34·8
Maritime Provinces—									
15-34 Years	(B)	389	435	460	474	55·7	53·7	49·5	46·0
	(D)	.....	432	464	506	.....	54·2	50·3	48·0
35-44 "	(B)	122	165	208	213	17·5	20·4	22·4	20·6
	(D)	.....	159	205	210	.....	20·0	22·2	19·9
45-64 "	(B)	187	210	261	344	26·8	25·9	28·1	33·4
	(D)	.....	206	254	338	.....	25·8	27·5	32·1
Quebec—									
15-34 Years	(B)	1,184	1,337	1,423	1,418	56·6	53·7	49·7	45·5
	(D)	.....	1,336	1,456	1,547	.....	53·9	50·3	47·6
35-44 "	(B)	400	510	621	668	19·1	20·5	21·7	21·4
	(D)	.....	505	621	672	.....	20·3	21·5	20·7
45-64 "	(B)	508	644	821	1,032	24·3	25·8	28·6	33·1
	(D)	.....	639	815	1,029	.....	25·8	28·2	31·7
Ontario—									
15-34 Years	(B)	1,265	1,272	1,244	1,176	49·4	46·3	43·0	40·5
	(D)	.....	1,302	1,291	1,289	.....	46·6	43·5	42·2
35-44 "	(B)	518	587	639	602	20·2	21·3	22·1	20·7
	(D)	.....	595	660	610	.....	21·3	22·2	20·0
45-64 "	(B)	779	891	1,007	1,128	30·4	32·4	34·8	38·8
	(D)	.....	898	1,019	1,155	.....	32·1	34·3	37·8
Prairie Provinces—									
15-34 Years	(B)	847	926	910	887	52·9	51·3	46·1	42·2
	(D)	.....	879	882	910	.....	51·5	47·1	44·4
35-44 "	(B)	287	364	460	447	17·9	20·1	23·3	21·3
	(D)	.....	335	430	427	.....	19·6	22·9	20·8
45-64 "	(B)	468	516	603	768	29·2	28·6	30·6	36·5
	(D)	.....	494	562	714	.....	28·9	30·0	34·8
British Columbia—									
15-34 "	(B)	270	247	241	230	46·9	43·2	41·1	39·8
	(D)	.....	285	278	286	.....	44·7	41·4	41·8
35-44 "	(B)	107	130	130	109	18·6	22·8	22·1	18·9
	(D)	.....	147	154	122	.....	23·0	22·9	17·8
45-64 "	(B)	199	194	216	239	34·5	34·0	36·8	41·3
	(D)	.....	206	240	277	.....	32·3	35·7	40·4

I move on to suggest that parliament must begin to think pretty seriously about this whole problem right away. One thing that we must try to resolve is this question of contributory or non-contributory old age pensions. No one can deny that it is impossible to think of making the present pension contributory or of attaching any contribution as a necessary part of the pension which people are now receiving or which people of fifty-five, sixty and sixty-five years of age will be receiving in due course. That phase of the matter has to be looked at by itself.

There is beginning to develop an opinion in Canada, in the trade union movement for example, that so far as younger Canadians are concerned it would be a good idea to have some kind of contributory plan started now; with individuals, industry and the government all taking part; the whole thought being that

it will not be satisfactory to wake up in 1971 to discover that the problem has become a much larger one and that we had not made plans for it back in 1948. When you start to talk about a contributory plan I say that you must keep separate the case of those on the present inadequate old age pension and you must realize also that any proper social security plan must be an over-all plan.

It is no good having a contributory scheme for old age pensions here, a contributory scheme for health insurance there and a contributory scheme for unemployment insurance some place else, and have other schemes as well which fail to interlock. The result is that the cost becomes prohibitive and the benefits inadequate. If we can get going with an over-all scheme it would be possible at reasonable cost to provide security in that way and also to remove any question as to the rights of people to these benefits. Despite all the boasting that hon. members opposite like to do, the fact is that we in Canada are far behind in the matter of an over-all social security plan.

I want to point out that that is not the only side of the picture. One must not think we are going to provide an adequate old age security plan in 1971 simply by having a contributory plan started now. What is really required to have adequate old age security is to have a planned economy that accepts it as proper that one section of the community, namely the children, are cared for with respect to all their needs, their wants and their rights out of the whole national wealth and similarly that another section of the community, namely those of sixty, sixty-five years and up, are equally well provided for out of the current production at the time the people are at those ages. We have already had experience with superannuation benefits of one kind and another completely losing their value because of the change in the value of money, and we know also that the standard of living changes as decades come and go. Here is hoping that our standard of living will go up in the next few decades. Old age security in 1971 must not be security in terms of what we think would be sufficient in 1948; it must be related to economic conditions of that time. So I submit that this calls not only for having some kind of a contributory plan started now, one which does not require contributions of those who are at present receiving old age pensions or who are near to receiving them, but also for economic planning which includes an over-all social security arrangement.

Mr. DIEFENBAKER: At what age would you start contributions?

[Mr. Knowles.]

Mr. KNOWLES: I submit that it could be built on to the unemployment insurance structure and started at working ages, or at twenty-one years in most cases. As I have already indicated, it should be a scheme that covers all things that hit a person over which he has no control, such as unemployment, ill health, accidents, old age and such exigencies as are covered in a social security plan such as is now in force in countries like the United Kingdom.

I submit that in the face of the problem and the opportunity that is coming in the next twenty-five years, in the face of what we have demonstrated we can do in the way of organizing to meet the challenge of war when it comes, it is not good enough for us to continue with an old age pension plan that provides $30 a month at age seventy with all the means test restrictions that we have at the present time. I do not think the government can be condemned too strongly for the way in which it has trifled with this matter. We had the offer to the provinces in the late summer of 1945, and ever since then, with respect to both improved old age pensions and a national health plan of any kind, we get the answer that it depends upon the provinces agreeing to certain dominion-provincial arrangements. That is not economic planning. That is not responsible government as I see it.

I feel bitterly about the way in which this federal government has jockeyed the various provinces into feeling that they have to do something to meet the present plight of our old age pensioners. It is very nice for the old person of seventy, seventy-five or eighty years of age who is now on pension to get some increase from the provincial government so that he can enjoy it while he is still with us. I would not deprive those people of that for one moment. But there is an element of tragedy in this. To the extent to which the government has forced the provinces to increase their share of old age pensions, this country has retreated from the position that we had gained where the federal government was paying 75 per cent of the cost of old age pensions. That is not enough; it should be 100 per cent. We started the government in that direction some years ago when it went up from 50 per cent to 75 per cent, but now the Minister of National Health and Welfare has it to his doubtful credit that he has reduced that percentage.

I want to see these older people get every dollar they can, no matter from what source it comes, but in the long run it is simply bedevilling the whole concept of an adequate old age pension plan fully carried by the

people of Canada as a whole through the one section of government that can carry it, namely the federal government here at Ottawa. I hope that the answer the Minister of National Health and Welfare gave to me this afternoon that the government's plans with regard to improved old age pensions would be made known in due course was not just a stock answer. I hope "due course" means some time this session and that we shall yet get some reasonably improved plan for the the people now in the older age brackets and also have a beginning toward a plan to meet the problem and the opportunity that will confront us in the years that lie ahead.

My time is about up, but I wanted to make passing reference to some other groups of older people in our society who in my view have been treated very poorly.

Mr. DIEFENBAKER: Where the dominion fails to discharge its responsibility in providing suitable and proper old age pensions, does the province not then have some responsibility?

Mr. KNOWLES: By all means. The provinces have to be human if this government is not.

My colleague, the hon. member for Winnipeg North (Mr. Stewart), dealt with a problem last night which both he and I have raised in this house a number of times, the plight of superannuated civil servants. The figures my colleague gave last night underlined the seriousness of their problem. I shall not take time to repeat those figures or to give similar ones, but may I say that I, too, was bitterly disappointed when the Minister of Finance (Mr. Abbott), after all the promises we had last year from him to give consideration to this matter, announced on January 23 of this year:

> While it is recognized that superannuated civil servants encounter difficulties during periods of rising costs, these are similar to the difficulties faced by other retired persons living on pensions, annuities or other savings, and the government does not consider that it would be fair or proper in these circumstances to single out its former employees for special assistance.

That is an argument which looks at three people, A, B and C, all starving, and says: We are sorry that we cannot do anything for A and B, so it would not be fair to them for us to keep C alive. So far as we are concerned, that is not a satisfactory answer.

I have here a specific case of a retired civil servant in the city of Winnipeg who is also a veteran of the first world war. Had he not earned a civil service pension of $58.85 a month—that is all he is getting and he is one of the favoured ones—he points out that he could now qualify for a burnt-out pension of $60.83; or, if not that, he could qualify for an old age pension of $60 a month for himself and his wife. Here are three different superannuation amounts that he might have qualified for, but he can only draw one, and that happens to be his civil service superannuation of $58.85 a month. That individual case epitomizes the unfairness that exists with respect to all these three groups, old age pensioners, superannuated civil servants and burnt-out veterans. Had time permitted, I would have gone in more detail into the plight of burnt-out veterans; but, as time is short, I just add my plea to the government to bring in that legislation soon and to make the increase much larger than has been indicated thus far and to grant a reasonable increase also to the widows of the non-pensioned veterans, who thus far are still getting only $30.41 a month—a disgrace to this country.

I sense, Mr. Speaker, that you are getting to the edge of your chair and so I shall resume my seat in a moment. But before I sit down I want to speak of two other groups of old people. They are selected groups, but their plight also highlights the need of an over-all social security program.

I refer to the retired employees of the Canadian National Railways, and the Canadian Pacific non-pensioned employees about whom I have spoken so often. Incidentally, the other day the Minister of Transport (Mr. Chevrier), answering the hon. member for Lake Centre (Mr. Diefenbaker), said that in view of the government's answer that it could not do anything for superannuated civil servants, he felt it would not be fair for him to ask the Canadian National Railways to increase the retirement benefits of their employees, even those receiving only the basic $25 a month. So there you have the government saying that not only C shall starve but B too. The government should be giving a lead in these matters, instead of using the fact that others are not doing anything as an excuse for inaction on their part.

I thank you, Mr. Speaker, for your generosity and I hope that the house will realize that, although democracy calls for many other things as well, at the very least it must provide security for our old people, and sooner or later that includes us all.

Mr. D. F. BROWN (Essex West): Mr. Speaker, it had not been my intention to participate in this debate, but during the course of the debate there have arisen in my constituency some problems which, although having a

local aspect, do affect the national economy. There have also been referred to in this debate, some matters which affect my constituency and on which I should like to make some comment.

But may I first offer my congratulations to the mover (Mr. Dion) and the seconder (Mr. Dickey) of the address. It may be we have by this time forgotten that of which they spoke, but may I, in offering them my congratulations, state that in my humble opinion they upheld the dignity, integrity and ability of that section of the house which we affectionately call Little Chicago.

Recently a situation has arisen which has caused a shut-down of a large number of industrial plants, resulting in considerable unemployment and temporary hardships to many thousands of industrial workers. This was due to the failure of the supply of natural gas so-called, or should I say fuel gas, to meet the demand caused by the severe winter which resulted in an increased consumption by householders. I said natural gas so-called, because I understand that at the present time only about 45 per cent of the present supply can be classed as natural gas. I am informed that a great deal of our supply of gas for the Windsor area is stored in underground wells and drawn upon as the need arises, as a result of manufacturing processes at Sarnia, Ontario. We may as well, therefore, face the fact that the supply of natural gas, especially in southwestern Ontario, is rapidly being depleted. In fact, from official sources at the disposal of all members I have observed that in 1940 in the whole province of Ontario 13,000,000 cubic feet of gas were produced, which had dropped in 1946 to 6,000,000 cubic feet, while natural gas in the province of Alberta had increased from 17,000,000 million cubic feet in 1936 to over 40,000,000 cubic feet in 1946.

The city of Windsor I understand to be the largest automobile manufacturing centre in the British empire, as well as the largest pharmaceutical centre in the British Empire. We also produce a great percentage of the salt, with its by-products of chlorine, caustics and other chemicals consumed in the Dominion of Canada, so that a stoppage of activities in these industries cannot but be reflected in the economy of the whole dominion which depends so largely on the commodities we produce.

If, therefore, we are not to be able to depend on natural gas for our industrial activities during critical weather conditions it will be necessary that we take steps to provide some other fuel to be consumed. The four main sources of heat generally employed either for commercial or domestic consumption, and excluding atomic energy, are coal, gas, oil and hydro-electric power.

During world war I, I am informed that, in the United States alone, coal furnished 80 per cent of the energy used in that country. Oil supplied 12 per cent and the others about 4 per cent each. Since then, a tremendous change has taken place. I am now informed that, in the United States, the use of natural gas has jumped 434 per cent, oil, 413 per cent, hydro-electric power, 350 per cent, but coal consumption has risen only about 5·5 per cent.

So that it is that in 1947, it is estimated coal furnished about 47 per cent of the power for heating in the United States; oil supplied about 30 per cent; natural gas 12 per cent, and hydro-electric power 11 per cent. It would therefore seem that a continuing increase in the demand for oil and gas in this country as well as in the United States would be inevitable. We have huge supplies of natural gas as well as coal in Alberta, but because of the long distance there is no means, in southwestern Ontario especially, of tapping these supplies. On the other hand, we have supplies of coal in the maritime provinces and in the western provinces, but by reason of the long haul these do not stand competition with United States producers.

It is further estimated that on the basis of the current production the supply of crude oil is calculated to last about ten or eleven years at today's accelerated consumption pace. Further, we cannot look too hopefully to a long-term supply of crude oil. Natural gas, on the other hand, is estimated to have a lifetime of about thirty-three years. There appears, however, to be a sufficient supply of coal, anthracite, bituminous and lignite, for many years to come.

It is, therefore, necessary for us to take stock and lay long-term plans to meet the demands of liquid or gas fuel. In the United States the secretary of the interior has obtained an appropriation of $9 billion for a synthetic oil program, to study ways and means of converting natural gas into synthetic gasoline and diesel oil as a short-term program, and later to convert coal to oil or gas as a long-term program. The transition to a synthetic era will doubtless come as needed and be spurred on or retarded by developments in technology and more knowledge of atomic energy, or by the discovery of more oil resources.

I am informed that the most promising solution of the short-term program is the production of gasoline and diesel oil from

natural gas. The Standard Oil Development Company recently dedicated a research laboratory at Baton Rouge, Louisiana, which will work with the pilot plants in that area now producing petroleum products, gas and oil. Other plants are now planned in Texas and Kansas.

We have in the city of Windsor and environs facilities to produce annually a surplus of an estimated three and a half billion cubic feet of coke-oven gas, which would contribute largely to the supply of fuel gas in the highly industrialized area of southwestern Ontario for all time to come. This could be produced if the blast furnaces now erected on the Dominion Steel property at Ojibway, adjacent to the city of Windsor, were put into operation. This property is situated on one of the finest inland waterways in the world. It has excellent harbour facilities, highway facilities, and every other essential for the successful operation of a steel plant, which is so vital to the expanding economy of the dominion.

May I, therefore, urge the government to take every step possible in seeing that all the possibilities of this project, on which so many hundreds of thousands of dollars have been expended, is utilized to the fullest extent, to the benefit not only of the city of Windsor, but of the whole Dominion of Canada in making accessible these basic products which are so badly needed.

May I further urge the government to make such appropriations as are necessary to explore the possibilities of converting the vast supplies of natural gas into gasoline and oil and of converting coal into oil, not only as a means of satisfying domestic consumption for peacetime activities but as a further means of national defence. This, as I have stated, is being carried on in the United States and was done successfully in Germany and other countries, and Canada takes second place to no country in national research.

There is another matter which I should like to deal with briefly since it is wholly within my constituency, a matter which I have been dealing with since the summer of 1946. It has to do with the veterans land project known as the Roseland farm sub-division and the Oliver farm sub-division. My interest in this matter has been to see that these veterans, who have fought and bled and suffered for us, should now be rehabilitated in an atmosphere of industry, contentment and security, that they be re-established in our community where they may rear their children in an atmosphere of peace and quietness, and till their gardens, deriving therefrom as much satisfaction as is humanly possible. It is my hope that these veterans may continue to enter into the life of the community, socially, economically and politically, to the fullest extent.

I do not propose to thresh old straw from which all the wheat has been removed. Suffice it to say that I propose to continue, to the best of my ability, to serve the people of these sub-divisions as my constituents. The Roseland sub-division is probably one of the most beautiful locations for such a project to be found anywhere. This sub-division is approximately two miles from the business area of the city of Windsor. It has winding drives, small and neat white homes which circle a nine-hole golf course, well treed and with well kept greens and fairways. The possibilities of improvement of this sub-division cannot be reckoned, for it is an area in which any veteran may be proud to live. The Oliver farm sub-division, which is a short distance away and on the same highway, is a more recently developed project which also has winding drives and is easily accessible to the main part of the city by two highways. It is also in close proximity to another golf course.

It is regrettable, however, that these two sub-divisions are not serviced by a school, particularly a school which would accommodate the very small pupils. The township, by reason of its financial position, is not able to finance a school building for these areas, and the federal authorities have no jurisdiction in educational matters.

I personally accompanied the township representatives and the representatives of the Department of Veterans Affairs, including the trustees of the township of Sandwich West school board, who have been doing such a magnificent job, in waiting upon the Premier of Ontario and other officials of that governmental body. It is to be hoped that some provision will soon be made, by the authorities having jurisdiction, to provide some accommodation at an early day. I might state that the Veterans Land Act administration has already indicated that it will provide the land at any time for a school, at no charge.

The hon. member for Lambton West (Mr. Murphy), however, has raised a point on which I think I should make some comment, for he has stated, at page 1209 of *Hansard* the following. I do not propose to read all of it, but in referring to a committee which was formed for the purpose of seeing that the veterans were getting fair value for their money he has this to say, in part:

> The valuations that were made by this committee were made last December.

Further on:

> I regret to say this, but it is nevertheless necessary that I should, because the minister in

his statement emphasized that the valuators had never seen the prices previously quoted by the Veterans Land Act administration.

Then a little further on he says:

I must also refer briefly to some two or three of the valuations of the Windsor area rather than give the figures. The information is available in the report which the minister tabled. On a great many of the houses there was a difference of only a few dollars, $10, $12, $15 and $25 which would indicate to me, or to anyone else, that this committee certainly must have had this report, because it is almost physically and mentally impossible for valuators to valuate one hundred houses and come within $10, $15, $20 or $25 of the price which the government had set as the price to the veterans.

There is, of course, no reference there to the fact that this committee also found on other houses prices differentiating to the extent of about $1,000; that is to say, the price on the house as set by the Veterans Land Act administration was reduced by nearly $1,000. I am not sure whether the hon. member, in making the remarks, intended them as a reflection upon the members of this committee who, not being members of this house, are not here to defend themselves. But since I had a great deal to do with influencing the government in appointing this committee, I should like to make some comment thereon. Mr. J. E. L. Price, who was chairman of the committee, is of Montreal. He had been unknown to me except by reputation which, I might state, was very high. Mr. Price, however, is chairman of the Canadian Legion national housing committee, and has probably done more, as a private individual, for the housing of veterans than any other person in Canada. Furthermore, I am willing to accept the advice of the Canadian Legion as to his integrity, ability and reputation. I, however, know the other two members of the committee who made the valuation on the Windsor houses and have known them for many years. These men were picked because of their outstanding ability in their respective fields, their reputations for fairness and integrity, and certainly because of no political affiliation; for none of these three gentlemen, to say the least, has been known as a member of the political party to which I adhere.

I attended the opening sessions of this committee and accompanied them on part of their inspection; and whenever any suggestion of any price was mentioned, they were vigorous in their rejection of any such assistance. All these gentlemen are returned soldiers themselves and interested in veterans' activities; and through you, Mr. Speaker, I want to express to them my gratitude for the work which they undertook solely as a public service in seeing that the veteran obtained full value for his money.

There is another item which I should like to mention briefly in conclusion, and it has to do with a class of persons who are not in this house and who are not in a position to defend themselves. Of course I realize that, from a political point of view, it is never profitable to defend civil servants. But I hear from time to time many stories as to the operation of various departments. One story which obtained considerable publicity and notoriety had to do with the customs officials in my constituency. It appeared that at one time there had crossed at Windsor a car which contained an invalid who was returning from a hospital where she had undergone an operation. These people—and I believe there were three of them—when asked if they had anything to declare, said, "We have some gifts in the trunk". The examiner went to the trunk and tore the claws off the fur and damaged the car, so it was reported. Then the officer is reported to have made them move the lady, who was an invalid, inside the customs house where she was kept for quite a while. The officer also is reported to have said, "You did not tell us about this item and that item". And the reply was, "I told you that we had gifts, and the names are on them". That might be misleading because the true facts of the case are as follows. Upon being requested to declare any goods to customs, they mentioned a few groceries and some small Christmas gifts which they had been given at Christmas and were now bringing into Canada. Their baggage was brought into the office and examined by a female examiner who found several articles of new clothing. As each article was found, one lady remarked, "My sister gave me that for my daughter-in-law," and each such item was allowed entry. These consisted of several articles, including a cotton playsuit, a pair of shoes the lady was wearing, a pair of shoes the gentleman was wearing and other small articles, although these were not packaged as gifts. On examining the automobile three children's dresses, two small lamps, and two pairs of ladies' shoes were found in the trunk of the car, and these goods still had the price tags attached. While they were also stated to be gifts from friends in the United States, after further questioning one lady admitted she had purchased them herself in the United States. Upon further search of the automobile, one carton of cigarettes was found concealed in a bag of groceries, and six cartons of cigarettes were found under the

front seat. These were placed under seizure because no declaration had been made.

On other occasions we have also been told that it would be advisable or expeditious to hold sort of sales or educational meetings with the examiners located at the border in order to attempt to turn them into diplomatic policemen. It is reported that the one making the statement had noticed quite a few cases at the border where examiners became rough and tough. I feel sure that the hon. member for London (Mr. Manross), who is such a congenial member of this house, never meant any offence to these public servants, and I am sure that he with his charming personality has had no difficulty personally. But his remarks, if hon. members wish to look them up, may be found at page 1157 of *Hansard*. You know, Mr. Speaker, I have found that these men referred to as the examiners usually treat a traveller somewhat in the same manner as the traveller treats the examiner. I do not deny that because of the imposition of the restrictions as of November 17, when no advice was given to the officers, nor could it be given to them, many assumed their responsibilities conscientiously. Many were new men who had been taken on without instruction. It is only fair to say, however, that these officers, most of whom had been recently released from the armed services, were and are trying to do a job conscientiously and efficiently. I too realize that these officers are salesmen for the Dominion of Canada; and since they have a valuable and serviceable product to sell I know they will do a good job. We as civilians can be of immeasurable assistance to them in trying to make their job, which in itself may be unpleasant, a cheerful and pleasant experience, if we realize the tension under which they are working and are willing to co-operate with them to the fullest extent. I have always found that if I approached these officers with a smile and showed courtesy and consideration, I received similar treatment from them, and vice versa.

So, if the department decides to hold these sales or educational meetings, as suggested by the hon. member, let us not restrict them to customs or immigration officers. Let all the citizens of Canada be invited to participate, to show the world we can live in unity, industry and prosperity.

Mr. MURPHY: I wonder if the hon. member would permit a question before he takes his seat?

Mr. BROWN: Glad to.

Mr. MURPHY: In view of what he said with respect to the valuation of these veterans' homes being made in December, 1947, does he now think the price to the veteran should be 25 per cent, or 33⅓ per cent less, inasmuch as it was 1946 when they were asked to buy the homes?

Mr. BROWN: As I understand the question, the interrogator would like to find out my personal opinion with respect to the valuation of a house in 1947, and whether or not I believe that house is now worth perhaps 25 per cent more than in 1945. My thought is that the veteran should get whatever he can for his money. The committee that was formed was asked to value the house as it stood, without any strings. That is my understanding, though, of course, the Minister of Veterans Affairs (Mr. Gregg) can answer for his department. If my hon. friend is trying to ask me whether the cost of building a house was greater in 1947 than in 1945, my answer would be yes, that it was higher in 1947. On the other hand, what have they bought? I do not know the exact number, but not a great many have signed contracts. So I would say to them that they should decide whether or not they want to buy these houses at the figure for which they are being sold. If they do not I am sure no pressure will be exerted upon them; and if there is any pressure I know, and I am sure the Minister of Veterans Affairs knows, I shall be the first to protest.

Mr. W. GARFIELD CASE (Grey North): At the outset, Mr. Speaker, I feel I should say that the hon. member for Essex West (Mr. Brown) is in much better form when speaking of his wonderful city of Windsor than when defending the position of the administration with respect to veterans' homes and holdings.

For a great while I have tried to determine why it is considered the proper thing immediately to offer congratulations to the hon. members who were selected to move and second the address in reply to the speech from the throne, though I know one can appreciate their contributions. Only recently, however, I came to the conclusion that they were to be congratulated because of the courageous effort they made to bolster an administration which, by the very terms of the speech from the throne and in its general plans, offers no sense of direction and no statement of policy with respect to the economic problems which beset our country.

Tonight I felt that I should like to dwell for a little while on this great country of

Canada and to evaluate our position in regard to the situation which prevails in the world today. Sometimes I think we are too modest, that we do not emphasize sufficiently the great advantages Canadian citizenship offers. Recently I was greatly impressed when, in company with the hon. member for Trinity (Mr. Skey), I had luncheon with a Polish gentleman who came to this country during the days when the Polish legion was recruiting in Canada and drawing many recruits from Chicago and Detroit. After the United States came into the war those sources of recruits dried up; but this gentleman, who had escaped from Poland at the risk of his life with his wife and two small children, continued to make his home in Canada. He is now located in one of our substantial cities, where he has established a manufacturing plant which now employs over 250 people. What he said to my hon. friend and myself that day, as to his vivid realization of the advantages offered by the land of his adoption, impressed me greatly. He said, "Recently I was addressing a service club. I said to the people gathered there that very few of them realized the rich blessings they enjoy in this great land of freedom, this land of golden opportunity, this land which is indeed a challenge to all comers." So I feel that Canadians are prone to regard too lightly the great advantages we enjoy in this country. If we might travel across this vast dominion from the tide-scoured shores of the Atlantic coast right through to the foothills of the Rockies, indeed to the Pacific coast; if we might grasp the thought that our great country stretches almost 4,000 miles along its southern border and reaches northward from the 49th parallel right through to the arctic snows; if we could but conceive that within this vast area is the workshop of Canada, we might appreciate these advantages. We are indeed a sparsely populated country. About 12,000,000 people live within this vast expanse of territory and the challenge is there for them to apply their energies and ingenuity and to exhaust their ambitions in this land of golden opportunity.

When I stop to think of what leadership means, and what an administration can do for a nation and its general over-all economy, I am shocked to think today that the very administration which has been so fortunate, possibly, in its choice of name as to call itself Liberal, has cast upon this young nation a sense of confusion and doubt which is baffling businessmen and enterprise to the extent that we indeed will not reach our greatest destiny. Yet but a few short months ago Canada stood on the threshold of her greatest possible industrial expansion.

[Mr. Case.]

Today we have a so-called austerity program introduced by the Minister of Finance (Mr. Abbott) and sponsored largely by the Minister of Trade and Commerce (Mr. Howe) which, in their own language, offers no sense of security for planning in the future. Indeed, Mr. Speaker, it is the very opposite. There is only one way we can seek to beat inflation and that is by increased production. And we shall not have that increased production so long as we continue to apply the brakes on industry and seek to nullify the productive capacity of the people. Yet we find that that is what is taking place.

Where can one find an industrialist in Canada who would be willing at this moment to retool his plant with a view to producing parts for motorcars or anything else when, by the very words of the Minister of Trade and Commerce, this program may be in effect for only a few short months? I would ask a somewhat similar question with regard to our market gardeners and vegetable growers, bearing in mind that it is not so many years ago that Canada was to a great extent self-sufficient in the production of many of her vegetables. Market gardeners would pit their cabbages and other produce, and would remove it from the pits as the season progressed so that it would find its way to market. But they had no sense of security. United States produce reached our markets. Today, when we have advanced so far and now have the finest refrigeration facilities, if our market gardeners were told that they might expect to supply the Canadian market even during the coming winter I am sure a great effort would be made to find means whereby their products would be made available. But the Minister of Finance has said he anticipates this program will remain in effect at least until the end of 1948 and possibly into 1949. So he is going to kill off another winter when we shall have a great deal of difficulty in getting along.

As I listened tonight to the hon. member for Winnipeg North Centre (Mr. Knowles), I could not help noting the tremendous stress he was placing upon social security. So many things are done in the name of social security that I think they should be carefully reviewed in relation to the general welfare of our nation. It is so easy to encourage our people to become a nation of leaners so that they will depend upon some central authority for their security, rather than depend upon their initiative and their own ambition.

Let me remind the house that but a few short years ago, as we measure history, this great country of ours was hewn from the forest by a group of pioneers who left their

homes and comforts, and whatever security was available to them, to take their chances in a new world. They laid the foundation upon which we, the succeeding generations, have continued to build.

We have not failed in our task; but this very insidious thing which is creeping among the people of our land, the thing which is encouraging our people to lean upon somebody else for their security and their sense of direction, this very thing which is robbing them of ambition and their initiative to do things is creeping into the very administration itself.

Mr. NICHOLSON: You are not against old age pensions, are you?

Mr. CASE: I should like to say this to my hon. friend, that I am not really against anything. I am for a lot of things. And if he will follow me far enough, and try to keep up with me, probably he will change his opinion, too.

Let me say that this very thing has crept into the administration itself; until today we find the government of Canada in the position where they are leaning upon somebody else. Our whole future economic program is predicated upon what the United States of America may do with respect to the Marshall plan.

Irrespective of this vast expanse of territory which challenges every citizen and encourages us to produce from its rich resources, there is no planning being done to guarantee that we can travel under our own steam. We are depending upon somebody else, whereas we should be laying plans for ourselves.

Probably the greatest and most fatal error that was made was when we introduced into this country parity with respect to our money. I am not a convert in any sense, and no one will challenge me as to where I stood when the minister made his announcement; because on July 5, 1946, the Minister of Finance announced parity with the United States dollar, and on July 16, 1946, which would be a reasonable period of time in which I might be heard in debate, I challenged the minister's position and devoted more than a column of *Hansard* to criticizing the move the government had made, because I realize that the more we interfere with natural laws, the more difficult it will be to govern. The great advantage which we enjoyed with our 90-cent dollar has been taken from us, and I do not know why. Today Canada has a dishonest dollar. We must admit that, because it is not worth 100 cents in relation to the United States dollar and because it can be bought for 80 cents in New York. The best method we could have employed to adjust that difference was to produce goods and services and let them flow across the border. In that way the situation would have corrected itself. But, instead, we sought to place an artificial structure under the one commodity which has more to do with regulating our general prosperity than anything else one can think of.

United States plants were bound to come to Canada and so was foreign capital. Well within our grasp lay the markets of the world as long as the United States dollar was accepted as the standard of value. I say that the government were indeed ill advised when they placed under our dollar an artificial structure which has since placed upon our industry and our enterprise the greatest possible handicap that could be placed upon it.

What has happened? Let us take a look at our natural resources. Let us look at our gold mining industry. This industry had arrived at a place where it was beginning to give an account of itself. After all, gold is a valuable commodity. It is durable and requires little space for storage. All down through the ages it has been accepted as a standard of value throughout the world. History reveals that the nations which possessed the most gold were usually in the driver's seat. Yet we have dissipated and thrown away the great advantage we had to develop our huge gold mining resources.

Gold in the rock is of very little value and you may say that it is of very little value when sterilized and lying in the vaults at Fort Knox. But it does not need to lie in the vaults at Fort Knox. Surely we as a Canadian nation, masters in our own house, could have continued to mine the gold and offer our basic industries encouragement so that we could store the gold and hold it against balances of foreign trade. Let us take our great pulpwood industry. We ship from 90 to 94 per cent of our output to the United States of America and, after all, we are the largest producers of pulpwood products in the world. That industry was receiving the advantage of the premium as were our farmers who were selling their registered herds south of the border.

Government has been carried on at the administrative level and they have failed to give us a sense of leadership. We judge them by their record. We judge them by the development of our nation. We judge them by the increase in our population. As was said a few days ago during this debate, we have not even a highway across our great country on which we can travel from one coast to the other. Rich and all as we are in great resources, we have failed to apply them

for the benefit of the nation and in many instances we have allowed them to be exploited for the benefit of the privileged few.

Canada is in a strategic position inasmuch as the smaller nations of the world look to her to give them a sense of leadership. Fortunately we are well situated, having to the south of us a great and friendly neighbour whose system of government is much the same as our own. It is admitted to be a system of democratic government and I do not think anyone will question that. Let me say to my hon. friend who interrupted me a moment ago that there is no substitute for democracy except dictatorship. The moment you introduce any other system of government, you deny the individual that great and cherished right he possesses to think for himself and to express his opinion as he sees fit.

In seeking to give this sense of leadership to the world, I wonder how well we shall discharge that great responsibility. I think back to the dark days of the war when the government was being carried on by a previous administration led by the present Prime Minister (Mr. Mackenzie King), I well remember that during the general election of 1945 it was freely said that the King administration should be returned to power because the Prime Minister was the only one properly qualified to represent Canada at the peace conference.

An hon. MEMBER: Hear, hear.

Mr. CASE: My hon. friend says, "Hear, hear," and I say we should have been represented at the peace conference. But let me tell you the type of leadership we have been given. When Great Britain was hard pressed for manpower, appeals were made to Canada to leave our troops to assist in the occupation of Germany, but we brought them away. Among the Prime Minister's souvenirs is the correspondence which deals with that and which he has not revealed. Whether that played a full part in future events, I do not know, but I know that it had a considerable effect. I do not say that seasoned troops should have been kept there, but there were thousands of young Canadians who had been trained and equipped for combat and who would probably have welcomed the opportunity to travel overseas for greater experience. They could have mingled with seasoned troops and have assisted in the occupation of Germany. We do not know at this moment just how costly our withdrawal may have been. We little realize the unfortunate situation which is building up in Europe today.

[Mr. Case.]

I recall also the time of the San Francisco conference when delegates were being named. I well remember the hon. member for Peel (Mr. Graydon), who was leading the opposition at that time, making an appeal to the Prime Minister that the present leader of the opposition (Mr. Bracken) be one of the delegates to San Francisco. The Prime Minister replied that he did not think that one who was not a member of the house should attend the conference, and, of course, the present leader of the opposition did not attend.

It is almost like irony of fate to realize that when it came time to sign the united nations pact the situation was reversed. The Prime Minister no longer held a seat in the House of Commons while the leader of the opposition did. In spite of that fact, the Prime Minister, without a seat in the house, flew to San Francisco to affix his name to the united nations pact. That meant, in effect, we will go to the aid of the other nations if they are attacked. More recently I listened to the Secretary of State for External Affairs (Mr. St. Laurent) saying that Canada would respect her obligations and play her part when called upon in the Palestine situation. We have probably been long on showmanship but short on practicality, because the Prime Minister to my knowledge has never had the courage to tell this house or the Canadian people what method he intends to employ to honour our obligations under the united nations pact which he signed.

When I made my maiden speech in this house after the Grey North by-election I challenged the administration to take time by the forelock when peace came so that as members of this house and citizens of this country we might know what our future manpower policy was to be. But constantly politics interferes with our better judgment and we are leaving something of vital concern to be dealt with haphazardly. I ask the house this question: Are we to listen to General Crerar, with his great experience? Are we to formulate a plan now by which we can honour our obligations?

Mr. CRUICKSHANK: What about Drew?

Mr. CASE: You have heard quite a bit about him in the last few days, and you probably have not yet heard the last. I can say this. One reason why your leader would not table that letter was that he does not want to give it official recognition. But the Canadian people will judge by the record.

Mr. CRUICKSHANK: You people gave the letter to the newspapers.

Mr. CASE: I do not know who gave it to the newspapers. During my first trip out west I got off at a place called Springwater in Saskatchewan and heard a hee-haw in the distance and thought the most amusing thing in the world was to hear a jackass bray.

Mr. CRUICKSHANK: And you have been braying ever since.

Mr. CASE: Military training has a greater objective in view than training a man to kill someone else. It trains a man how to defend himself.

Mr. VIAU: Wear a uniform and you will understand it.

Mr. CASE: I have worn one, and I tried for the second time too, and can produce evidence to prove it. I do not want to detract in the slightest from the effort my hon. friend has made, nor do I want to praise the effort I have made because I am none too proud of it myself. But military training is training our young people, our boys and our girls as well, in the art of self-defence; and with a proper approach and educational program the mothers of this land will approve it. As we scan the world's horizon today, we must appreciate that our very existence may some day depend upon the training that our people have had. Canadians are just as brave as any people on earth, but like most of the democracies we are not warlike. We are fond of peace and we thrive on peace; it is very difficult to talk of war in times of peace, and that is why we are usually caught napping. I was brought up as a boy on the farm, and what I feared most in the first world war was going up against soldiers fully trained in the art of war. Training gives a man confidence in being able to defend himself, and in the two great wars Canadians—I say this with a great sense of humbleness and at the same time with a deep sense of pride—have written lines that will never fade from the brightest pages of Canadian history. By their sacrifices and their love of freedom, their regard for their homes and their loved ones, they have guaranteed the security which we enjoy today.

There is something which I think might be done. I have a great admiration for General Crerar. He visited my home city, but unfortunately I was not present at the time. He has won great respect for his military knowledge. Canada has never had a full-fledged field marshal. I think of Field Marshal Smuts. I do not know why we do not shake off our infant clothes and make General Crerar a full-fledged field marshal, to give some sense of direction as head of the Canadian Army, and be able to associate on equal terms with other military officers of the highest rank abroad. We pride ourselves on being a nation. We do not want to glorify war, but I think our people would appreciate this honour being given to a great Canadian soldier.

What is the situation in Europe at the moment? We do not know what will happen next. There is an air of uneasiness. It is a grave moment when our government and other democratic governments, the defenders of freedom, must indeed be concerned. I hope that we shall begin to realize that our greatest security is our faith in God, confidence in ourselves, and confidence in our great country. It is a moment when we can afford to be a little more tolerant that we would be under ordinary circumstances. It is a time when we should know who our friends are, because at this very moment the enemy is boring from within, and that will make the situation just that much worse should something unforeseen occur. I hope that in the days to come we shall address ourselves to the task of so equipping our nation and building up the morale of our people by training and otherwise that we shall be equal to the test of defending ourselves, though we may never wage an offensive war.

Just one brief thought in closing about our austerity program. I am emphasizing this austerity feature, because I do not think it is too late yet for the government to turn back and listen to the voice of reason. In the ordinary course of events, thousands of people will wish to visit our country. That is what we call our tourist trade.

The time is not far distant when we must give careful consideration to plans for this season and, as a matter of fact, plans are no doubt under way at the present time. If it is possible for the American to purchase $1.10 of goods in Canada for his dollar I am sure our coffers will be that much richer. You may correct the United States dollar situation by the restrictions that are at present in effect. I am not going to deny that. But in doing so you are very likely to wreck the whole Canadian economy. That is the concern of Canadians today, because businessmen are confused. No one knows exactly where to turn or what position to take at the present moment. There is ample evidence that the moment the government took this position, someone paid and Canada was the loser.

It is not very long ago that the Bank of Canada was bidding for victory bonds at

a very substantial premium. Many people made substantial fortunes, having purchased victory bonds only to turn them over two or three months later, and I presume the Bank of Canada was the purchaser. The bonds were purchased at par and sold at $104.50 and as high as $106. Now these bids are withdrawn, and it causes one to wonder, because I know that Americans were large purchasers of our bonds. They could purchase them after they had been on the market for so long, and they were able to purchase them with that $1.10. Do not think they did not speculate on the possibilities of the Canadian dollar returning to par, so that when it returned to par they would be able to turn in those bonds and convert their money into 100 cents on the dollar in Canada. Therefore I often ask myself the question why the government maintained this bid on dominion government bonds until it did, in the sense that the Americans were secure. Whether it was to encourage them to believe that this was a good place to put their money, I am not prepared to say.

I had a great deal to do with war finance in the early days of the war, having headed up seven victory loan campaigns in my community, and having been for two and one-half years chairman of the war savings certificate campaign to encourage people to put their money into that form of investment. Many millions were invested in war savings certificates; and I would emphasize that $40 a month would return $50 a month in seven and a half years' time, these being the only government bond in the world paying 3½ per cent interest compounded semi-annually. Now look at the situation. It is true that their $40 will be worth $50, but every $4 will purchase only $3.60 worth of goods, and every $40 only $36, as compared with the time at which the investment was made.

I say, therefore, that the Canadian investor has been taken down the road, and now it would appear the time has come when people who invested in these war savings certificates, with a sense of security and in the belief that they were building up something worthwhile, find that their expectation has been entirely dissipated because of the policy which this government has adopted, which has led to confusion, higher prices and an increased cost of living. Our building trades are stagnant and no one knows where to go or what to do. Costs are out of line and people are inclined to wait and see. And while we are waiting to see we are losing the advantage of the tremendous volume of production of which our nation is fully capable under normal circumstances.

[Mr. Case.]

I say to the government that the sooner it gets out of business which private enterprise can look after, and utilize all the latent power which is evident among the individuals within our nation, the sooner we shall recover and be on our way to solid prosperity.

Mr. RENE HAMEL (St. Maurice-Laflèche): Mr. Speaker, before addressing the house in French, I feel it would be appropriate to give to the English-speaking members of the house an idea of the subject with which I intend to deal. My intention is to deal with the important problem of national unity. In my opinion there are two fundamental reasons why the major groups of this country are divided.

The first reason why we are divided is the fact that we have not the same conception of the part our country should play in the British commonwealth of nations. Some people seem to be satisfied that Canada sacrificed on the altar of the empire her last man and her last dollar. Others, among whom I place myself, disapprove such a stand.

The second reason why we are divided is that the two major groups in this country do not give to our constitution the same interpretation. We feel that we have given in Quebec, to the Protestant minority, better treatment than that given to our compatriots in the other provinces.

Mr. SINCLAIR: Nonsense; not in British Columbia. That is a lot of horse feathers.

An hon. MEMBER: He is speaking for himself.

Mr. SINCLAIR: We have a Catholic premier and we are glad to have him.

Mr. HAMEL: In conclusion, Mr. Speaker, I will propose in the federal sphere a few reforms which in my opinion would improve relations between the two major groups in the country.

(Translation):

Mr. Speaker, during this debate on the address in reply, I shall deal with a matter of perennial timeliness for almost two centuries, namely that of good understanding between the two major groups of our population, Canadians of French origin or of Catholic faith and Canadians of English descent.

Though intending to deal only with the differences between French and English Canadians may I say at the outset that in my opinion the problem is not confined to those two groups in particular. In its population of about 12 million souls, Canada numbers some

5,700,000 people of British birth or descent, nearly three and a half million of French stock and almost three million who have come from different countries, mostly Europeans.

Those three million Canadians have retained, I am sure, a perfectly legitimate attachment for their native lands and created among themselves bonds of solidarity which are a credit to them and which I would be the last to condemn. The various national societies they have formed to safeguard their common interests are sufficient evidence of the bonds of solidarity which unite Canadians of Ukrainian or Polish descent, as well as of other nationalities.

Italian and German-born Canadians had to disband their associations for a few years, but I would be much surprised if they did not reorganize at the first opportunity. We cannot solve the problem of national unity in Canada without taking into account that important ethnological factor.

Statistics on immigration and emigration show that, from 1851 to 1941, we have brought in 6,699,226 foreigners to help us develop and build our country. On the other hand, during the same period, we have witnessed the sad spectacle of a mass exodus, which drew away 6,301,320 citizens from our country.

I contend, Mr. Speaker, that we have no right to remain unmoved by such statistics, and must ask ourselves why so many citizens have failed to adapt themselves to their new country or to find a decent living among us.

For the time being, I shall confine my remarks to the causes of the rift in the two main groups of our population.

One reason for our lack of unity is that the word "country" does not mean the same thing to both. Granted, we all consider ourselves Canadian citizens but we do not attach the same meaning to this status. In the eyes of some, Canada is but a secondary nation bound to sacrifice its interests on the high altar of the British commonwealth of nations. Canadians of French descent feel, however, that their first loyalty belongs to Canada and cannot resign themselves to seeing their country become the cat's-paw of the British commonwealth of nations. May I remind those who deem such language rather strong and the Canadian people at large of the following facts . . .

(Text):

Mr. SINCLAIR: I rise to a question of privilege, Mr. Speaker. Once again may I ask when in this house the rule against the reading of speeches is to be observed. The hon. member is not only reading but is reading at close range. If he intends to read his speech, surely to goodness he should be able to read it on his desk.

Mr. CAOUETTE: He is only consulting his notes.

Mr. SINCLAIR: We shall not be through by August if this goes on.

Mr. HAMEL: You do it yourself.

(Translation):

Mr. SPEAKER: Order. I would point out to the hon. member that he is forbidden by standing orders to read his speech.

Mr. HAMEL: I did not understand your remarks, Mr. Speaker.

(Text):

Mr. SINCLAIR: The rule is against the reading of speeches.

(Translation):

Mr. GAGNON: The hon. member for St. Maurice-Lafléche is doing exactly what the hon. member for Outremont (Mr. Rinfret) did some days back when he introduced a bill.

(Text):

Mr. THATCHER: The hon. member for Vancouver North will never be a cabinet minister if he is going to take that attitude.

An hon. MEMBER: Neither will you.

Mr. FULTON: The hon. member makes only one speech a year, so he can memorize it. He does not have to read it.

(Translation):

Mr. SPEAKER: Order, I would ask the hon. member for Fraser Valley (Mr. Cruickshank) to abide by the rules of the house. The hon. member who has the floor must not be interrupted without his consent.

Mr. CRUICKSHANK: Very well.

Mr. HAMEL: As I was saying, Mr. Speaker . . .

(Text):

Mr. SPEAKER: Order. I would call the attention of hon. members to the fact that one of the duties of the Speaker is to protect freedom of speech in this house. I would ask hon. members to listen to the hon. member who actually has the floor. If anyone wishes to ask a question of that hon. member, he should rise in his place and ask for permission to do so.

Mr. HAMEL: I thank you very much, Mr. Speaker, for your kindness.

(Translation):

As I was saying, compared to the rest of the countries in the British commonwealth, Canada has been playing the role of a cat's-paw. Here is how I intend to prove my statement.

(a) Our financial effort in the last war was close to four times as large as that of Australia, New Zealand and the Union of South Africa combined. In fact, according to the World Almanac for 1947, page 523, the war budgets of Australia, New Zealand, the Union of South Africa combined amounted to $4,620 million while Canada alone spent $15,580 million. On a population basis, the financial effort shows an even greater difference. Australia, New Zealand and the Union of South Africa spent $226 per capita while Canada gave $1,354 per capita.

Comparing our losses in human life with those of South Africa, whose population is about the same as ours, we find that we suffered 92,493 casualties against 23,044 by the latter dominion.

Mr. LAPOINTE: May I ask the hon. member where he obtained these figures? If you refer to official data, you will find that our losses in human life totalled 30,000 and not 90,000.

Mr. HAMEL: I may inform the hon. member for Lotbinière (Mr. Lapointe) that those figures are drawn from what I consider to be a reliable source, the World Almanac for 1947.

Mr. LAPOINTE: I believe the figures quoted include not only the dead but also the wounded.

Mr. HAMEL: The figures I am giving for Canada cover exactly what is represented by the figures for South Africa. The same basis of comparison is used.

Mr. SPEAKER: Order.

(Text):

Mr. HAMEL: I thank you very much, Mr. Speaker.

(Translation):

I would not have dwelt on those sad memories if the government of my country was not continuing to squeeze the Canadian ratepayers for the benefit of Great Britain.

From the end of hostilities in 1945 to this date, according to a Canadian Press dispatch published by *La Presse* of Montreal on May 13, 1947, the joint contribution of three dominions, Australia, New Zealand and South Africa, for the recovery of the United Kingdom, adds up to about $125 million. As regards Canada, if the loan of $1,250 million is added to outright gifts, her contribution to the recovery of Great Britain is nearly twenty times greater than the joint contribution of the three other dominions, whereas Canada's population represents only about 55 or 60 per cent of the population of the three other dominions put together. Our per capita contribution towards the recovery of Great Britain is 33 times greater than that of the other dominions.

Mr. GAGNON: Shame!

Mr. HAMEL: I believe, Mr. Speaker, that if an individual had managed his property the way the government has done for ten years, he would be prosecuted before the courts and laid under an interdict perhaps not for madness but surely for lavishness.

Mr. GAGNON: For madness, to be sure!

Mr. HAMEL: Mr. Speaker, we do not agree as to what the term motherland means. In my humble opinion, this is the first cause of our dissensions.

The second cause lies in the fact that we give a different interpretation to the internal constitution of our country. The spirit of confederation is to make out of Canada a bilingual country.

(Text):

Mr. CRUICKSHANK: May I ask, not being familiar with the situation, what the hon. member is reading from?

(Translation):

Mr. THATCHER: Sit down, you are talking too much!

Mr. FULTON: And you talk too loudly!

(Text):

Some hon. MEMBERS: Sit down!

Mr. SPEAKER: Order!

Mr. SINCLAIR: Just enforce the rules of the house.

Mr. SPEAKER: The hon. member will realize that the member who has the floor was just now quoting many figures and, of necessity, had to consult his notes.

Mr. SINCLAIR: Why does he not file it with *Hansard*?

(Translation):

Mr. HAMEL: According to the spirit of confederation, Canada was to be a bilingual country. The two main religions existing in 1867 were to enjoy special protection all across Canada. That was the meaning given by the French Canadians to section 93 of the British North America Act.

(Text):

Mr. CRUICKSHANK: On a point of privilege, Mr. Speaker, is the hon. member quoting now? I will put it in French, if he cannot understand it in English. Vous parlez contre l'unité canadienne. Is he reading it or not?

Mr. SPEAKER: Order.

(Translation):

Mr. HAMEL: I have here section 93 of our constitution, of the B.N.A. Act. Our interpretation of it is based on the statement made by Lord Carnarvon on February 22, 1867. This is what he said in the British parliament:

> The purpose of this section (93) has been to provide all minorities, whether *in esse* or *in posse* and irrespective of their creed, with status of absolute equality. Thus the Protestant minority of Lower Canada and the Catholic minority of the Maritimes will be on an equal footing.

Mr. Speaker, that is how French Canadians in Quebec have interpreted the British North America Act, and we feel we have treated the Protestant minority of Quebec not only with fairness and loyalty, but with generosity. We have formed a Protestant school committee entrusted with the full organization and supervision of their curricula, as well as the complete administration of their generous share of funds. To my knowledge, the English-speaking Protestant minority of Quebec has never complained in that connection.

Mr. GAGNON: That is true.

Mr. HAMEL: Unfortunately, Mr. Speaker, things worked out differently in the provinces with an English-speaking majority. As early as 1867, two words—"by-law"—allowing judicial authorities to give our pact a narrow interpretation were inserted in the constitution, apparently without the knowledge of the Catholic population of the time.

As early as 1871, the New Brunswick legislature enacted the common school legislation compelling Catholics to choose between the painful alternative of sending their children to a school of which they disapproved in conscience, or building their own schools at the heavy cost of the dual tax.

This piece of legislation seemed so highly unfair to the people of New Brunswick that when brought before the legislature in 1869, it was defeated. In 1870 it was again rejected and only in 1871, thanks to the support of a narrow majority, was it embodied in the statutes.

This legislation was so obviously unfair to the people that the dominion parliament begged the king to make his influence felt in Fredericton in order to have it amended.

Mr. CRUICKSHANK: Keep quiet!

Mr. THATCHER: Keep quiet yourself!

(Text):

Mr. SPEAKER: Order. I am tired of calling hon. members to order. I am sorry to say that if some of them do not abide by the rules, the next time I shall be obliged to apply the sanction.

Mr. SINCLAIR: Since you have not cared to apply this very excellent rule of the House of Commons against the reading of speeches, Mr. Speaker, I for one will withdraw from the house and read about it in the morning.

Mr. CRUICKSHANK: I shall be glad to join the hon. member.

Mr. MATTHEWS (Kootenay East): On a point of privilege, Mr. Speaker, I have listened to many speeches in this house since I was elected to this parliament. I have heard speeches read by members of all parties, and I think it ill becomes a member of any party to criticize others. Let the hon. gentleman criticize those on his own side.

Mr. SPEAKER: Before the hon. member continues his speech may I say to hon. members that they know perfectly well it is against the rules to read a speech in this house. They also know perfectly well that on different occasions I have called the attention of hon. members on both sides to that rule. However, hon. members will appreciate that in spite of the fact that the rules forbid the reading of speeches, unfortunately it has become a practice on the part of many hon. members to do so during the debate on the address in reply to the speech from the throne. Since I have been appointed Speaker, every session after the debate on the address is concluded I have informed hon. members that I would not tolerate any further reading of speeches. I believe it is only fair that we should be generous to the hon. member who has the floor since, as another hon. member has already stated, hon. gentlemen on all sides of the house have read speeches during this debate. I might add that hon. members will realize that the hon. gentleman who has the floor actually has quoted many figures and extracts of one kind and another, so he has had to read a good deal, and I believe he should be excused for having done so. Now I hope

hon. members will be kind enough to let the hon. gentleman proceed with his speech, and not interrupt him any more.

Mr. HAMEL: Once more, Mr. Speaker, I thank you very much for your kindness.

(Translation):

In 1868, the school legislation of Prince Edward Island underwent a thorough reform. Catholic schools were recognized and provided for. This province entered confederation in 1873 and until 1877 Catholic schools were maintained under the 1868 statute. Everything was at peace then. But again in this province Catholic and French schools were struck out with a stroke of the pen. Your Catholic and French schools were in existence, we are told, but they were not protected by statute. As regards the teaching of French, it is also true that this right was expressly written in the provincial school legislation, but unfortunately it is not protected by the 1867 act as it did not apply to a specific class of persons. In Prince Edward Island as elsewhere, French was crossed out of the act.

(Text):

I suppose hon. members are interested in knowing what are the fundamental reasons why we are divided. That is why I have dealt with this problem.

(Translation):

Leaving Fredericton and Charlottetown and setting out for Winnipeg, we find another Golgotha where the rights of the French Catholic minority were pitilessly immolated. Passed in 1870, section 22 of the Manitoba Act provided protection against any legislation "affecting any right or privilege of the Protestant or Roman Catholic minority of the Queen's subjects in relation to education." Section 23 of the act provided as follows:

(Text):

Either the English or the French language may be used by any person in the debates of the Houses and so on.

(Translation):

Could it be clearer or more specific? As a matter of fact Catholics and Protestants have been living together for twenty years in perfect understanding. Catholics and Protestants support only their own schools.

In 1890 came the Martin laws depriving the Catholic minority of all its rights. The privy council acknowledged the glaring injustice of this legislation. Parliament agreed. A Protestant member from Winnipeg, Mr. Hugh J. Macdonald, stated in this house in 1893:

The separate school system of Manitoba has been abolished in a barbarous, brutal and cruel way.

[Mr. Speaker.]

Once more the French and Catholic minority was crushed. Being unable to face double taxation they were forced to close a large number of their schools.

Study closely the story of schools in the district of Keewatin and in the other parts of the northwest territorities. In every case the same condition obtained. In order to ensure the consent of Catholics and of French people to the entrance of their territory into confederation, you had the same definite promise as to the protection of their faith and of their language, and the same violation of these rights as soon as the anglo-protestant majority could act at no great risk to itself. Mr. Speaker, I have gone into this bit of history for the following reasons.

In the first place, it is because I am personally convinced that the treatment inflicted upon the Catholics of this country, who number nearly five million and form 43 per cent of our population, explains much more adequately than the way in which history is taught in our schools, the dissension existing between the two major groups in this country. My second reason is that I thought it desirable to recall that historic episode, in view of the fact that the establishment of a federal district is now being mooted. I do know, Mr. Speaker, that speaking before a meeting of representatives of 22 municipalities interested in the project, the Minister of Public Works, as reported in the February 11, 1948, issue of *Le Droit,* gave the assurance that the plan was not to form a federal district administered by a commission, like those which exist in Washington or Canberra, but rather to beautify the dominion capital and the neighbouring localities, while respecting their autonomy as was done in Paris. How can the statements of the Minister of Public Works jibe with those which were made by the Prime Minister himself in this house, especially on April 21, 1944, when he said, as reported on page 2237 of *Hansard*:

I have spoken on this subject a number of times and some years ago I made the suggestion, which others have also made, that some day the capital of Canada might become a federal district to be administered by a commission, in a manner similar to the capital at Washington.

This statement was made by the Prime Minister himself. It is not the system followed in the French capital that the government contemplates in connection with the dominion capital, but indeed the system followed in Washington. Consequently the population of French origin and Catholic

faith will be faced with the same problems which arose in 1867, 1870, 1877, 1890 and 1905. How do the hon. gentlemen opposite intend to spare their compatriots and co-religionists the sad fate met by the French and Catholic population of the maritimes, Manitoba, Saskatchewan, Alberta, the Northwest Territories and even Ontario? By promises? Ten times in 80 years, the most solemn and formal promises have been broken. By texts? Read over again Manitoba's constitution, the Northwest Territories first constitution, and you will find out what a text is worth.

Mr. Speaker, the second reason of our dissensions in this country is that confederation was a bona fide pact, which was to be interpreted in a broad and generous manner, but it has been applied shabbily at the expense of the Catholic population which in 1941 was 44 per cent of the total country's population, and to the detriment of the French population which is more than 30 per cent of the total population of Canada.

Frustrated in their religious and cultural rights, the French Canadians were again frustrated in economic matters.

In the matter of subsidies, whether it be under the dominion tax proposals, or towards the construction of houses or again, on a per capita basis, as family allowances, it is a well known fact that the province of Quebec ranks last in Canada.

Last week's debate on the Farm Improvement Loans bill has shown that there also Quebec has received less than any of the other provinces.

Coming now to the railroads, we find Quebec still dragging behind the others. I find at page 660 of the Canada Year Book a most interesting table on this question:

Railroads

Number of miles per thousand people	
Saskatchewan	9·69
Alberta	7·22
Manitoba	6·65
British Columbia	4·74
New Brunswick	4·01
Prince Edward Island	3·00
Ontario	2·77
Nova Scotia	2·5
Quebec	1·43

Another known fact is that in the civil service French-speaking employees represent only about 12¼ per 100 of the total while we account for 30 per 100 of the Canadian population.

From what the hon. member for Gaspé (Mr. Langlois) said yesterday, I understand he is satisfied with present conditions.

Mr. LANGLOIS: May I ask the hon. member a question? Would he quote from my speech the part where I said I was satisfied with present conditions?

Mr. CAOUETTE: You showed it throughout your speech.

Mr. HAMEL: If the hon. member says that he is not satisfied, I shall take his word for it; however, when I read his speech I had the impression that he was satisfied with the situation.

Mr. GAUTHIER (Portneuf): It was a false impression.

Mr. HAMEL: Mr. Speaker, I take exception to the reflections cast yesterday on one of my personal friends, the representative for Quebec county in the Quebec legislature, Mr. René Chaloult. The hon. member for Gaspé contends that Mr. Chaloult stated a falsehood when he said that immigration was organized on the largest scale under the government of Sir Wilfrid Laurier. I have here documents to prove that Mr. Chaloult was speaking the truth. I do not intend to quote all the figures mentioned by the hon. member for Gaspé, but I will point out to him that in the period when Sir Wilfrid Laurier was prime minister of Canada,—from 1901 to 1911,—not only was immigration greater than at any other time in the history of the country and since confederation, but in that period 1,781,918 immigrants entered Canada, or nearly as many as during the fifty previous years.

If the hon. member for Gaspe cares to look at the immigration problem in a different light or to consider those statistics from a different angle, I shall not challenge his right to do so, but I contend that it was unfair of him to accuse in this house the hon. member who represents the constituency of Quebec in the provincial legislature of not speaking the truth.

Mr. MICHAUD: May I ask a question, Mr. Speaker?

Mr. LANGLOIS: Mr. Speaker, will the hon. member permit a question?

Mr. SPEAKER: Order! The hon. member for Restigouche-Madawaska (Mr. Michaud) has the floor.

Mr. MICHAUD: I would like to ask the hon. member whether he fully endorses all the words spoken by Mr. Rene Chaloult in the Quebec legislature.

Mr. HAMEL: I may confess to the hon. member that I have not read the whole of Mr. Chaloult's speech, but I would be very happy to have the hon. member for Quebec county in the provincial legislature meet my hon. friends—

Mr. MICHAUD: You are not answering my question.

Mr. HAMEL: May I, in closing, Mr. Speaker, offer a few suggestions conducive to national unity. Here, then, is what I propose. First, that the French-speaking ministers who make statements in this house use the mother tongue of the majority of their constituents as often as possible. Second, that standing order 47 prescribing that motions be read in French and English before discussion be respected from now on. Third, that members of the cabinet, at least those who can do so, answer in French questions which are put to them in French by members of this house. Furthermore, let the French version of committee reports be made available to French-speaking members at the same time as the English version, instead of many months later, as at present.

Some hon. MEMBERS: Hear, hear.

Mr. HAMEL: Also provide hon. members with the French version of *Hansard* at the same time as with the English version. As matters now stand, the French edition almost invariably reaches us four or five hours after the English. Then require that those heads of branches whose jurisdiction extends throughout the country be bilingual.

Some hon. MEMBERS: Hear, hear!

Mr. HAMEL: Also require that all House of Commons employees be bilingual, pages, messengers and other officials who may be called upon to answer French-speaking as well as English-speaking people.

Mr. GAGNON: Hear, hear!

Mr. HAMEL: Have bilingual posters and menus in the cafeteria or the restaurant. Make the signs on the grounds and around parliament hill bilingual also.

[Mr. Langlois.]

To my mind, Mr. Speaker, we shall learn to respect each other all the more if the federal parliament is given that true bilingual character which is provided for by the constitution.

Mr. LANGLOIS: Would the hon. member say where he got those figures?

Mr. HAMEL: What figures?

Mr. LANGLOIS: Those on immigration.

Mr. HAMEL: Here is my reference:

A table submitted to the Senate committee (proceedings, page 261) by Mr. Herbert Marshall, the dominion statistician provides precise and striking evidence on this point.

This is from the newspaper, *The Canadian Unionist.*

(Text):

Mr. T. V. GRANT (Kings): Mr. Speaker, I hope the hon. gentleman who has preceded me will forgive me if I do not follow his remarks. However, I wish to congratulate him upon having put up a splendid fight against his adversaries and upon having put at least a couple of them to flight. I did not intend to say anything during this debate because, like others, I was anxious that it should come to an end. However, upon pressure being brought to bear upon me by some of my maritime colleagues, I yielded against my better judgment. I did not think it was right to allow the Tory member for Queens (Mr. McLure) to have everything to say about conditions in Prince Edward Island. One of my old teachers used to say that when you heard nothing you should say nothing, but here I am afraid I am disobeying him.

I listened attentively but painfully to the doleful speech of the Tory member for Queens. It was a gloomy picture indeed that he gave of conditions in our province. The last part of his speech was brighter, however, because he invited tourists to come down to that terribly neglected province. His speech reminded me of the poet's description of Jacques Cartier's first winter on the St. Lawrence river. He was very gloomy at first because the river was frozen over and there were other conditions which were not very suitable, but later on he changed like my hon. friend. I think the lines of the poet read somewhat as follows:

> But when he changed the scene
> He told how soon it cast
> In early spring the fetters
> That held the waters fast.
> How the magic wand of summer
> Cast the landscape of his eyes
> Like the drybones of the just
> When they wake in Paradise.

He was referring to the St. Lawrence river and surrounding scenery.

I am sorry the hon. member for Cape Breton South (Mr. Gillis) is not in his seat at the moment. Before continuing and by way of diversion, may I say that following the last provincial election in my province I understand he gave an interview to the press. I am told that the reason given by him for all C.C.F. candidates having lost their deposits was that the people of Prince Edward Island were not sufficiently educated along C.C.F. lines. I am not finding fault with his way of expressing himself, but I presume he meant that we did not know the C.C.F. party well enough. There is a contradiction here, because the people of Prince Edward Island turned down the Tory party because they knew them too well.

To get back to the Tory member for Queens, his speech was indeed mournful and bewildered. The other day he told the Minister of Transport (Mr. Chevrier) that he and the minister had both done well for the province of Prince Edward Island. I think it was ingratitude on his part to ignore the senior member for Queens (Mr. Douglas). I am reminded of the traveller in Æsop's fable who picked up a frozen snake and placed it in his bosom, and after it had warmed up a little it stung him to death. I was surprised to hear such a speech made in this house, especially at a time when the province of Prince Edward Island has never been as prosperous. In fact it looks sometimes as though this is a period of uncontrolled prosperity.

In his speech yesterday the only minister praised by the hon. member was the former minister of fisheries, the late Hon. Mr. Bridges. I suppose he thinks the only good Liberals are dead ones.

The Tory member for Queens deplores the fact that we have not more cold storage plants in Prince Edward Island. His party has been in power in Prince Edward Island, and if he were in his seat tonight I would ask him if he could point to one cold storage plant that the Conservative party ever built in Prince Edward Island. There are in my constituency about five potato warehouses which were built for the benefit of the potato growers and the Liberal party built every one of them. There is one in Souris costing $200,000, another of the same kind in Georgetown, another in Elmira, another in St. Andrews, and another one being built in Morell—all built under a Liberal administration. Not one of those cold storage plants was built by the Conservative party. The Liberals built every one of them. I should like the Tory member for Queens to point out something that the Conservatives have done in Prince Edward Island, or anywhere else for that matter.

He also spoke about highways. We have a great many highways in Prince Edward Island, hundreds of miles of paved roads running from one end of the province to the other, and the Conservative party did not build one foot of them. They did attempt at one time to build a few miles; but they did not seem to understand how to do it; the frost destroyed the road, and the work had to be all done over again by a succeeding Liberal government.

He also spoke about foxes and reefers. I do not know exactly where his word "reefer" came from, but there is a warm jacket which is known as a reefer and perhaps that is why they call the warm cars reefers. I suggest to my hon. friend that he get one of these reefer coats, if he can get one large enough to button, and then get one of these fox furs and put it around his neck, and then he would not have to do so much talking in the house. We would all know what he stood for—reefers and fox furs.

One strange thing he did say, that all the money that was spent on plants in Prince Edward Island during the war was $1,277. As a matter of fact, there was more money spent in Prince Edward Island for its size than in any other province. Millions of dollars were spent there by the then minister of national defence because he was a member for the province. Millions of dollars were spent on two or three airports. I did not get much in my constituency, but I got elected at the next election. What I did get was an air raid telephone line all along the north shore of my constituency, and after the war was over, the government gave that to the people. It served several parishes. That alone must have cost many thousands of dollars, so that I cannot understand where my hon. friend gets his figure of $1,277.

The Tory member for Queens also complains about our national park and says that the roads leading to it are not good enough. I ask him who built the national park there? What is the national park to any Tory? It was built by the Liberal government, but the Tories can go there, of course. But they never put it there, and they never would put it there. There is one highway to the park. My hon. friend need not complain because his party never did anything like that in our province at least.

Speaking about reefer cars, I should like to put a statement on *Hansard* with regard to

reefer cars in Prince Edward Island. This is taken from the Department of Agriculture in Prince Edward Island:

> During the crop season of 1947 there were 8,835 carloads of potatoes ferried across the straits by the Canadian National Railways.
>
> During the same season 858 carloads of turnips were ferried across, making a total of 9,393 cars of potatoes and turnips ferried across the straits.

So the Tory member for Queens had a big job on his hands in arranging for all these cars. Of course he had the assistance of the Minister of Transport, but he had to work pretty hard himself. The minister is a hard worker too, but I do not think he could ever get along without the aid of his parliamentary assistant, the Tory member for Queens.

On motion of Mr. Grant the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. MacINNIS: What will be the business for tomorrow?

Mr. ST. LAURENT: We shall continue with this debate.

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

HOUSE OF COMMONS

Wednesday, March 3, 1948

The house met at three o'clock.

PRIVILEGE

MR. PROBE—REFERENCE TO REMARKS IN DEBATE ON MARCH 2

Mr. J. O. PROBE (Regina City): I rise to a question of privilege, Mr. Speaker. Yesterday the hon. member for Comox-Alberni (Mr. Gibson), while I was temporarily absent from this chamber, made a charge, as reported at page 1786 of *Hansard* that I had, in effect, called the management and shareholders of H. R. MacMillan Export Company gangsters. I quote from the relevant portion of the hon. member's speech:

> This man MacMillan and his so-called gang paid $7,600,000 in taxes to the federal treasury and yet the hon. member for Regina City calls them a bunch of gangsters.

On the next page the hon. member is quoted as saying:

> I think that if anyone is referred to as a member of a gang, he is a gangster.

In my speech on February 5 last, this is what I said, as reported at page 926 of *Hansard*:

> In other words, the profits of the MacMillan gang who clipped the coupons were within fifty cents per share of the men who went out to the fields and the forests and the mills to do the work . . .

And so on. I realize, Mr. Speaker, that there is a natural tendency to give to words a meaning not always necessarily in accord with the intent of the speaker or writer, but rather in accord with the limited education, the type of experience and the nature of the past association of the listener. That is doubtless true of the hon. member for Comox-Alberni.

Mr. SPEAKER: Order. The hon. member has stated his question of privilege, and he should not make any statement.

Mr. PROBE: I think it is necessary to give a definition of this—

Mr. SPEAKER: Order. The hon. member has stated his question of privilege and should be satisfied.

Mr. PROBE: My point of privilege has not been stated, Mr. Speaker. It is this. I did not, according to any standard dictionary which contains the word "gang" or otherwise, use that word in a sense that would give the imputation of gangster referred to by the hon. member for Comox-Alberni, nor had I any such intention. Therefore I ask through you, Mr. Speaker, that the hon. member withdraw the imputation which he made with regard to myself.

Mr. J. L. GIBSON (Comox-Alberni): When I went to school, Mr. Speaker, I always understood that the singular of "gang" was "gangster". I am afraid I have not had access to the vast education of my hon. friend.

Mr. PROBE: That is obvious.

Mr. GIBSON (Comox-Alberni): However, if he feels so badly about the matter, I should be glad to withdraw if he will also withdraw the imputation he made that the shareholders of the MacMillan company were members of a gang.

Mr. PROBE: I made no imputation whatever, Mr. Speaker, that the shareholders of the MacMillan company were members of a gang.

Some hon. MEMBERS: Oh, oh.

Mr. PROBE: I am happy that the hon. member has apologized.

Mr. SPEAKER: I would call attention of hon. members to a rule which says that when the Speaker rises, the member who has the floor should resume his seat. It is important that this rule should be observed so that we may have order in this house. The hon. member has stated his question of privilege and should be satisfied. Now he is asking that the hon. member for Comox-Alberni withdraw certain remarks. It is not the practice to ask, on the day following, for the withdrawal of what has been said during debate on the day before.

TOURIST INDUSTRY

REPORTS OF DOMINION-PROVINCIAL CONFERENCES, 1946 AND 1947

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Mr. Speaker, at the request of the hon. member for Eglinton (Mr. Fleming) that appears at page 1725 of

Hansard, I table two copies of the reports of dominion-provincial tourist conferences held in 1946 and 1947.

CZECHOSLOVAKIA

COMMUNICATIONS RESPECTING RESIGNATIONS OF MINISTER AND STAFF IN OTTAWA

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, I would like to communicate to the house two letters I received just a short while ago from the former minister of Czechoslovakia, addressed to the Secretary of State for External Affairs. The first, bearing date of March 3, 1948, is as follows:

Your Excellency,

I have the honour to inform you that I am announcing today to the Czechoslovak government in Prague my resignation as envoy extraordinary and minister plenipotentiary of Czechoslovakia in Canada.

At the same time, Dr. Vladimir Moudry, first secretary, and Dr. Karel Bala, commercial attache, are announcing their resignation to their respective departments of the Czechoslovak government in Prague.

The legation will be in charge of Colonel Jaromir Petzold, MBE, who remains at his post.

I would appreciate it very much if you could kindly inform His Excellency the Governor General about my resignation, and convey to him my grateful thanks for all his kindness, which he has extended to me on so many occasions.

May I express to Your Excellency my warmest thanks for all your co-operation and assistance in my work in this country.

Accept, Excellency, the renewed assurance of my highest consideration.

Frantisek Nemec.

The second letter bears the same date and is also addressed to the Secretary of State for External Affairs:

Your Excellency,

Referring to my letter of March 3, I have the honour to announce to you that from the staff of the legation Miss Alzbeta Katzova and Miss Eva Blumenscheinova, both office secretaries at the legation, are sending their resignation today to their respective departments of the Czechoslovak government in Prague.

Frantisek Nemec.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

PRAIRIE FARM REHABILITATION—SASKATCHEWAN

Mr. McKAY:

What expenditures have been made by the federal government under the Prairie Farm Rehabilitation Act during the years 1943, 1944, 1945, 1946 and 1947 in (1) Canada; (2) province of Saskatchewan?

Mr. GARDINER:

The Prairie Farm Rehabilitation Act does not cover Canada but applies to the drought and soil drifting area of the prairie provinces, approximately two-thirds of which is in Saskatchewan and one-third in Alberta and Manitoba. The expenditures were as follows:

1.

Year	Administration	Manitoba	Saskatchewan	Alberta	Total
1942-43	140,063 11	125,279 96	1,284,319 38	179,692 32	1,729,355 77
1943-44	138,713 62	132,449 03	1,321,656 52	218,486 20	1,811,305 27
1944-45	188,577 01	185,388 11	1,292,614 31	252,295 50	1,918,874 93
1945-46	171,816 46	223,449 63	1,450,917 01	295,644 78	2,141,827 88
1946-47	145,490 69	160,654 89	1,450,333 91	549,048 78	2,305,528 27
1947-48	144,033 56	119,766 35	1,249,714 18	370,238 26	1,883,831 55

2. See answer to No. 1.

HIGHWATER, QUE., CUSTOMS OFFICE—H. M. CLARK

Mr. GAGNON:

What language or languages are spoken by H. M. Clark, employed at the customs office of Highwater, Quebec?

Mr. WINTERS: English and French.

NOTE: While Mr. Clark does not speak French fluently, he has been able to deal satisfactorily with travellers with whom he has been required to transact customs and excise business in French during the past thirty-one years.

[Mr. Howe.]

BARLEY—LOSSES OF FARMERS BETWEEN AUGUST AND OCTOBER 1947

Mr. DIEFENBAKER:

Has the government given consideration to the introduction of measures to provide for reimbursement of the loss suffered by farmers who sold barley between August 1 and October 19, 1947?

Mr. McILRAITH: On March 1, at page 1723 of *Hansard*, the answer to this question was given orally by the minister.

Mr. SPEAKER: Answered.

SYDNEY, N.S., PLATE MILL

Mr. GILLIS:

1. In what year was the plate mill at Sydney, Nova Scotia, first constructed?
2. How much money did the Canadian government invest in the mill when it was first constructed?
3. Did this mill operate during world war I?
4. What arrangements were made for the disposition of the machinery and equipment after world war I?
5. On what date was this mill re-equipped for world war II?
6. How much money did the Canadian government spend in equipping this mill for world war II?
7. Who owns the mill at the present time and what arrangements have been made through War Assets Corporation for the disposition of machinery and equipment of this mill?

Mr. McILRAITH:

1. The plate mill was completed and started operations on February 11, 1920.
2. The Canadian government did not invest any moneys in the mill when it was first constructed.
3. The mill did not operate during world war I.
4. There were no arrangements made by the government for disposition of the equipment after world war I, inasmuch as it was the property of a private company.
5. The re-equipment of the mill for world war II was completed on March 17, 1942.
6. The Canadian government spent a net amount of $1,641,610.46 for equipping the mill for world war II.
7. War Assets Corporation sold practically all the machinery and equipment purchased under capital assistance for the operation of the plate mill to the present owners, the Dominion Steel and Coal Corporation, with the exception of a few items which were disposed of by the corporation to the Steel Company of Canada Limited, and the government of the country of Czechoslovakia.

TAXES ON LIQUORS, TOBACCO, SOFT DRINKS AND AERATED BEVERAGES

Mr. McKAY:

How much in federal taxes were collected in 1947 on (1) soft drinks and aerated beverages; (2) liquor; (3) tobacco?

Mr. WINTERS:

Statement showing Excise Duty and Excise Tax collected in Canada on Liquors, Tobacco, Soft drinks and Aerated beverages during the Fiscal Year 1946-47

(1)	Domestic Excise Duty	Domestic Excise Tax	Importation Excise Tax	Totals
Soft drinks and aerated beverages	.....	$18,629,491 72	$ 5,427 54	$ 18,634,919 26
Carbonic Acid Gas	.....	296,050 28	23 10	296,073 38
(2)				
Matured Spirits	$ 48,849,698 79	.....	.....	$ 48,849,698 79
Malt used in Beer	49,208,815 75	.....	.....	49,208,815 75
Beer	2,511,310 55	.....	.....	2,511,310 55
Malt Syrup	91,699 88	.....	.....	91,699 88
Validation Fees	947,710 49	.....	.....	947,710 49
Wines	.....	2,393,717 80	.....	2,393,717 80
Totals	$101,609,235 46	$ 2,393,717 80	.....	$104,002,953 26
(3)				
Mftd. Tobacco	$ 10,345,377 70	$11,551,411 22	$ 88,168 85	$ 21,984,957 77
Cigarettes	90,127,923 29	61,908,268 24	70,563 16	152,106,754 69
Cigars	294,844 26	2,521,516 39	22,000 65	2,838,361 30
Can. Raw Leaf	394,367 40	156,324 64	.....	550,692 04
Totals	$101,162,512 65	$76,137,520 49	$180,732 66	$177,480,765 80

Sales tax breakdown not available. Statistics for sales tax carried in total for all commodities.

Customs duties collected on liquor, tobacco and soft drinks and aerated beverages during the fiscal year ended March 31, 1947

Distilled beverages	$25,693,184*
Beer	8,898*
Wine	916,660*
Raw leaf tobacco	755,266
Cigars	36,523
Cigarettes	100,029
Snuff	1,534
Cut tobacco	203,013
Other manufactured tobacco	952
Mineral and aerated waters	8,517

*Includes special war duties.

STEEL CONTROL

Mr. GILLIS:

1. What is the name of the steel controller for Canada?
2. Who are the members of the steel control board?
3. What powers has the steel control board?
4. What steps are being taken by the steel controller to increase the production of steel plate and other steel products in short supply in Canada?

Mr. McILRAITH:

1. Frederick Kingston Ashbaugh.
2. There is no steel control board.
3. None (See answer immediately preceding).
4. Steel slabs are being diverted from Sault Ste. Marie to Hamilton enabling steel producers there to increase their production of plate and other steel products.

Ingots and billets from Sydney are being diverted to Hamilton and Montreal for conversion into finished steel.

The use of a Bessemer converter at Sault Ste. Marie is speeding the open-hearth cycle there and will result in increasing ingot production up to a level of 70,000 gross tons per month.

Subsidization of scrap has resulted in the movement of a considerable tonnage into Canada as well as stepping up the flow into steel-making areas from outlying districts.

An additional blast furnace is being repaired and additional coke ovens installed at Sydney and will go into operation in the near future. Efforts are being made to arrange the adding of primary steel facilities at Hamilton.

PUBLIC DEBT

Mr. McKAY:

1. What is the (a) gross; (b) net; (c) funded debt of the federal government?
2. How much of the public debt is owed (a) in Canada; (b) outside Canada?
3. What was the public debt of the dominion of Canada in (a) 1913 (b) 1920; (c) 1938?

[Mr. Winters.]

Mr. BELZILE:

1. January 31, 1948:

Gross debt	$17,327,820,956.97
Net debt	12,261,177,616.69
Unmatured funded debt (including treasury bills, and refundable portion of income and excess profits taxes)	16,175,040,200.00

2. As government securities are outstanding in bearer form it is not possible to state what amount is owed to residents and non-residents of Canada. However, it may be assumed that funded debt payable in currencies other than Canadian is held outside Canada. Unmatured funded debt (including treasury bills and refundable portion of income and excess profits taxes) outstanding January 31, 1948:

Payable in Canadian dollars	$16,015,677,559.68
Payable in sterling	11,362,640.32
Payable in U.S. dollars	148,000,000.00
	$16,175,040,200.00

3.

March 31, 1913	
Gross debt	$ 483,232,555.24
Net debt	314,301,625.68
Funded debt	258,679,819.47
March 31, 1920	
Gross debt	$ 3,041,529,586.91
Net debt	2,248,868,623.79
Funded debt	2,627,102,137.16
March 31, 1938	
Gross debt	$ 3,540,237,614.54
Net debt	3,101,667,570.25
Funded debt	3,314,558,031.86

SEED GRAIN LIENS—SASKATCHEWAN

Mr. THATCHER:

1. What is the dollar value of 1914 and 1915 seed grain liens still outstanding in Saskatchewan?
2. Of this amount, how much is (a) interest; (b) principal?
3. Has the government made any recent effort to collect these liens?
4. Has the government given any consideration to cancelling these liens?

Mr. GLEN:

1. 1914, $11,947.80; 1915, $1,587,059.89.
2. 1914—interest $7,322.79, principal $4,625.01; 1915—interest $946,393.22, principal $640,665.67.
3. The government has not made any unusual or special effort to collect these liens in recent years. However, payments are being received in the department to apply on the advances.
4. Requests have been received from time to time that there should be a general cancellation of the liens but no such action has

been taken. The Debts Due the Crown Act, chapter 51, 17 George V, 1927, provides a means whereby the amounts owing under the liens can be adjusted. Applications for adjustment are continually being considered and dealt with by the seed grain adjustment board.

UNEMPLOYMENT INSURANCE—INVESTIGATIONS BY R.C.M.P.

Mr. KNOWLES:

1. In what cities, towns, villages and remote areas have investigations of persons drawing unemployment insurance benefits been made by the Royal Canadian Mounted Police at any time since July 1, 1945?

2. How many such investigations by Royal Canadian Mounted Police have been made in each of the cities, towns, villages and remote areas?

3. Under what authority have Royal Canadian Mounted Police been used for this purpose?

Mr. COTE (Verdun):

1. Manitoba	Whitemouth	5
	Lac du Bonnet	2
	Pine Falls	1
	Sprague	1
Ontario	Red Lake	4
	Sioux Lookout	8
	McKenzie Island	1
	Dryden	5
	Richan	1
Saskatchewan	Royal Lake	1
	Donegal	1
Alberta	Jasper	1
	Total	31

2. Answered by No. 1.

3. Under authority of the Royal Canadian Mounted Police Act and at the request of the unemployment insurance commission.

SUBSIDIES ON RYE GRAIN

Mr. CAMPBELL:

How much has been paid in subsidies on rye for domestic consumption, for (a) feed; (b) flour; (c) liquor in the years 1944 to 1948?

Mr. BELZILE: (a) and (b) Commodity Prices Stabilization Corporation Ltd., paid domestic subsidies on rye grain used in the manufacture of rye flour and rye meal sold on and after January 1, 1944, to September 15, 1947, as follows:

1944	63,088.12
1945	37,712.08
1946	228,746.56
1947	216,072.59
Total	545,619.35

(c) Nil.

INCOME TAX—DEPRECIATION

Mr. McMASTER:

1. What proportion of special depreciation applied for and allowed under section 6, subsection I (n) (ii) of Income War Tax Act have been applied by the persons interested in reduction of their taxes for the following years: 1944, 1945, 1946?

2. What were the respective amounts of the ten largest allowances for (a) buildings; (b) other purposes?

Mr. WINTERS:

1. I regret that it is not possible to answer this question in the form in which it is asked as statistics are not maintained by the taxation division tabulating, by years, the amounts of special depreciation under section 6, subsection 1 (n) (ii) of the Income War Tax Act which have been allowed as deductions for tax purposes in determining net taxable income.

I can, however, say to the hon. member for High Park that from the 10th November, 1944 to the 31st March, 1947, which was the period in which taxpayers were entitled to file claims for special depreciation under the terms of this particular subsection, the Department of Reconstruction and Supply has issued 8054 certificates of approval to 4212 taxpayers authorizing special depreciation to the total amount of $1,392,282,000.

Moreover, full statistical information with respect to the allocation and distribution of this amount by:—

(a) provinces; (b) major cities and other areas; (c) type and size of expenditures, and by industry; (d) size of investment, and by industry; (e) industry on a per 1,000 employee basis; (f) economic classification of expenditure, by size of investment, and by industry; may be found in the pamphlet entitled "Encouragement to Industrial Expansion in Canada" which was published under date of the 8th January, 1948, by the Department of Reconstruction and Supply.

2. Answered by No. 1.

FOREIGN EXCHANGE—PAYMENT IN U.S. DOLLARS TO ORCHESTRAS, SINGERS, ETC.

Mr. WHITE (Middlesex East):

1. How many United States dollars have been paid to United States orchestras and dance bands playing on Canadian programs in Canada since July, 1946 until November 17, 1947?

2. How many United States dollars have been paid to (a) United States orchestras and dance bands; (b) other American artists, singers and musicians for Canadian programs since November 17, 1947?

Mr. WINTERS: 1 and 2. No information. The records of the foreign exchange control board are not maintained on such a basis as to provide the information requested.

The following information has been supplied by the Canadian Broadcasting Corporation:

1. Nil.

2. (a) Nil; (b) $4,281.25.

WARTIME HOUSING—NORTH VANCOUVER PROJECT

Mr. LOW:

1. Did the Central Mortgage Corporation recently conclude an agreement with the city of North Vancouver providing for a 20 per cent increase in rental rates on wartime housing units situated in that city?

2. If so, for what specific reasons?

3. How many houses are included in the North Vancouver project?

4. What was the average cost of construction of these units?

5. What has been the average yearly maintenance cost of the units in North Vancouver?

Mr. McILRAITH:

1. The answer to part 1 is no. However, Central Mortgage and Housing Corporation has agreed to collect on behalf of the municipality taxes levied by the municipality on the tenants in amounts varying from $4.00 to $4.50 per month.

2. Answered by part 1.

3. There are 695 houses in the city of North Vancouver project.

4. The average cost of construction of these units was $2,860.67.

5. For economy of administration projects in any one urban area, such as greater Vancouver, are grouped under the management of one office and costs are recorded in one over-all accounting system. No separate maintenance cost records are maintained for individual projects in one urban area. The following table shows the average maintenance cost per unit for units under administration in greater Vancouver.

Period	No. of units under Administration at end of period.	Average Maintenance cost per unit.
April 1, 1944 to March 31, 1945	759 houses	$ 26 01
April 1, 1945 to March 31, 1946	1,393 houses	28 18
April 1, 1946 to December 31, 1946	1,865 houses	48 45 (1)
Year 1947	2,172 houses	24 61

(1) This amount of $48.45 average unit maintenance cost, included expenditures for exterior painting and roadway maintenance which averaged $31.80 per unit.

HYDE PARK AGREEMENT—EMPIRE PREFERENTIAL TRADE

Mr. CHURCH:

1. What is the effect of the variation of the original Hyde Park agreement on preferential trade within the British empire?

2. Is the agreement valid without the consent of parliament?

Mr. ST. LAURENT:

1. None.

2. The joint declaration of April 20, 1941 was not an international agreement of the kind for which, as a matter of constitutional practice, the approval of the houses of parliament is required. It was a joint statement of the administrative policies which the two governments proposed to follow in respect of the subject matter of the declaration.

LIFE INSURANCE—LOANS TO POLICYHOLDERS

Mr. CHURCH:

1. What rate of interest are life insurance companies allowed to charge on loans to policy holders whose premiums are paid (a) by contract, if the rate of interest is named for loans in the text of the policy; (b) if loan is made not according to text of contract?

[Mr. White (Middlesex East).]

2. What was this rate during the last war and after the last war, and what is the increase, if any, in such rates charged policy holders for loans?

Mr. BELZILE:

1. (a) If the rate is specified in the contract, the company may charge any rate not exceeding the specified rate but in practice no life insurance company, whether Canadian, British or foreign, transacting business in Canada charges Canadian policyholders a rate in excess of 6 per cent effective per annum and a great many companies charge only 5 per cent even where a higher rate is specified.

(b) All policies of life insurance issued by companies, except some issued many years ago, contain a provision for policy loans and the maximum rate of interest is invariably specified. In cases where there is no loan provision and hence no specified rate, the practice is the same as described in (a), namely, to charge a rate not exceeding 6 per cent effective per annum and in many companies the rate is only 5 per cent.

2. Prior to January 1, 1936, the rate of interest on policy loans varied up to 8 per cent per

annum but in 1935 all life insurance companies transacting business in Canada gave an undertaking to the government that the maximum rate would be reduced as from January 1, 1936 to 6 per cent effective per annum, such reduction to apply to both outstanding and new loans. The great majority of companies charged rates varying from 5½ per cent to 6 per cent during the early years of the war of 1939-1945 but in 1944 many companies reduced the rate further to 5 per cent. There has been no important change since then, either by way of increase or decrease.

WAR SAVINGS CERTIFICATES

Mr. HATFIELD:

Will the government consider changing the regulations regarding payments of war savings certificates in order that the holder might endorse them and have them cashed at any bank?

Mr. BELZILE: A full statement giving the reasons for the necessity of having war savings certificates redeemed at Ottawa was given by the Minister of Finance in the House of Commons on Wednesday, February 25, 1948.

LABOUR CONDITIONS—WAR EMERGENCY TRAINING PROGRAM

Mr. COLDWELL:

1. Under the war emergency training program what companies in the province of Quebec received money either directly or indirectly from the dominion government?

2. How much money was received under this program by each of these companies in each year in which the program was in operation?

Mr. COTE (Verdun):

1 and 2. From the appropriation for training war workers, the under-noted amounts were paid in each of the fiscal years indicated to the following companies in Quebec for the operation of plant schools under the supervision of war emergency training program.

Company	1942-43	1943-44	1944-45	1945-46
Can. Vickers	$2,973.00	$128,990.87	$23,452.66	$ 2,299.03
Dom. Bridge	6,131.73	.....	.....	.....
Dom. Rubber	984.59	4,550.06	54,182.02	.....
R.C.A. Victor	1,760.25	6,995.96	1,508.58	170.00
United Shipyards	801.44	4,413.80	.....	.....
Bepco	2,467.99	6,152.48	.....	.....
Marine Industries	745.50	10,391.96	5,513.70	.....
Anglo Can. Pulp	.....	3,366.79	.....	.....
Cosmo Underwear	.....	694.99	1,926.07	.....
Defence Industries	.....	400.00	.....	.....
Dom. Textile	.....	5,748.51	10,858.94	235.61
Joliette Foundry	.....	120.00	.....	.....
Joliette Steel	.....	60.00	.....	.....
Lefebvre & Bros.	.....	400.00	.....	.....
March Tool Industries	.....	145.00	.....	.....
Northern Electric	.....	7,597.33	.....	.....
Victoriaville Foundries	.....	4,623.45	.....	.....
Regent Knitting Mills	.....	3,258.40	5,978.41	.....
Aluminum Co. of Can.	.....	.....	25,441.92	13,757.13
British Rubber Co.	.....	.....	25,692.98	7,635.56
Can. Converters	.....	.....	2,079.72	.....
Dionne Spinning Mills	.....	.....	15,292.59	.....
Dominion Gaiter Co.	.....	.....	5,696.44	6,067.90
Fairchild Aircraft	.....	.....	21,756.21	.....
Klein Mfg. Co.	.....	.....	1,486.69	1,974.71
Montreal Cottons	.....	.....	46,019.13	45.00
Sorel Industries	.....	.....	860.00	170.00
Standard Machine Shop	.....	.....	20.00	.....
Switlick Can. Parachute	.....	.....	10,347.83	.....
Belding Corticelli	.....	.....	.....	2,273.55
Canadian Children's Wear	.....	.....	.....	551.99
Rolland Paper Co.	.....	.....	2,079.41	.....

R.C.A.F. COMMISSIONED OFFICERS

Mr. McCULLOUGH (Assiniboia):

1. How many commissioned officers were there in the Royal Canadian Air Force, as of January 31, 1948?
2. How many of these were of nationality other than Canadian?
3. What was the rank and nationality of each such officer?

Mr. LAPOINTE:

1. 1,945.
2. Eleven.
3. 2 Squadron Leaders—U.S.A.
   4 Flight Lieutenants—U.S.A.
   4 Flying Officers—U.S.A.
   1 Flying Officer—Polish.

These officers served in the R.C.A.F. during the war and continued in that force in the peacetime organization. They have filed a declaration of intention to become Canadian citizens but the time required for Canadian citizenship has not yet elapsed.

ALUMINUM

Mr. KNOWLES:

1. What was the total quantity of aluminum in all forms exported from Canada in (a) 1944; (b) 1945; (c) 1946; (d) 1947?
2. What is the total quantity of aluminum in all forms which it is anticipated will be exported from Canada in 1948?
3. Of such quantities, what portion was produced or will be produced by facilities in Canada and/or in British Guiana on which the government allowed 100 per cent depreciation during world war II?
4. To what extent is the Aluminum Company of Canada now making use of aluminum producing facilities in Canada and British Guiana on which the company was allowed 100 per cent depreciation during world war II?
5. To what extent is use now being made of the Aluminum Company of Canada's power facilities at Shipshaw on which the company was allowed 60 per cent depreciation during world war II?
6. What are the current prices of aluminum, domestic and export?

Mr. McILRAITH:

1. Exports of aluminum:		1944	1945	1946	1947
Scrap	Cwt.	36,040	130,335	129,135	216,035
	$	214,572	770,825	935,670	1,934,681
Bars, blocks, ingots, and blooms	Cwt.	5,904,532	7,645,729	3,746,717	4,274,317
	$	93,493,588	121,778,512	49,146,887	52,610,741
Rods, sheets, plates, etc.	Cwt.	62,485	37,821	48,977	77,967
	$	2,310,424	1,070,281	1,307,178	2,068,164
Kitchen utensils	$	779	86,763	663,776	1,163,510
Wire and cable	$	59,498	1,049,797	1,219,416	2,529,927
Mfgs., n.o.p.	$	9,441,522	8,810,816	2,757,112	3,648,551
Total value	$	105,520,383	133,566,994	59,030,039	63,955,574

2. No information.
3. Information not available.
4. Information not available.
5. Information not available.
6. The price of aluminum ingot is 15c. a pound, delivered at the works of any firm in Canada. The export price is also 15c. a pound, f.a.s.

HOUSING—MOOSE JAW

Mr. THATCHER:

1. Does the Central Mortgage and Housing Corporation now look after all houses built by Wartime Housing Limited?
2. How many of such units have been (a) sold; (b) leased, in the city of Moose Jaw?
3. If the lessee does not wish to purchase the house occupied, is action taken to dispossess such lessee where a sale is made?
4. What notice must be given a veteran to vacate?
5. Does the corporation in all cases find the veteran an alternate location?

[Mr. Cote (Verdun).]

Mr. McILRAITH:

1. Yes.
2. (a) 14 have been sold as of February 25, 1948; (b) 320 have been leased.
3. In the event that a tenant does not wish to purchase the house he occupies, and another purchaser is available for that house, the tenant may be given notice to vacate, provided there is available to him, on a rental basis, another housing unit administered by the corporation in the same locality.
4. Thirty days notice is required under the terms of the tenant lease.
5. Yes.

FARM IMPLEMENTS

Mr. FAIR:

1. What is the value of farm machinery manufactured in Canada in each of the years 1940 to 1947 inclusive?

2. What is the value of farm machinery exported each of the above years?

3. What is the value of farm machinery imported each of the above years?

Mr. McILRAITH:

1. Value of farm machinery produced in Canada, 1940-1947:

1940	$18,285,000
1941	22,411,000
1942	19,638,000
1943	18,930,000
1944	26,297,000
1945	38,701,000
1946	50,000,000
1947	not yet available

2. Value of farm machinery exported from Canada during the years 1940 to 1947:

1940	$ 9,537,256
1941	11,872,880
1942	9,121,748
1943	10,283,789
1944	13,433,857
1945	20,196,085
1946	26,661,562
1947	42,237,917

3. Value of farm machinery imported into Canada during the years 1940 to 1947:

1940	$30,673,217
1941	30,994,624
1942	23,643,799
1943	20,228,341
1944	40,611,124
1945	50,435,476
1946	68,351,742
1947	105,404,869

HEALTH AND WELFARE—VENEREAL DISEASE CONTROL

Mr. DECHENE:

What part has been taken at the world health organization by the venereal disease control division, Department of National Health and Welfare?

Mr. MARTIN: The world health organization requested that the venereal disease control division of the Department of National Health and Welfare offer suggestions and provide certain information relating to the international aspects of venereal disease control. In reply, the division forwarded to the executive-secretary of the world health organization: (a) a resume of advanced methods of treatment of contagious syphilis and gonorrhoea and of diagnostic and laboratory procedures in venereal disease control; (b) an outline of the organization in Canada of federal and provincial venereal disease services; (c) copies of current venereal disease acts and regulations in force throughout Canada; and (d) comments with respect to certain international aspects of venereal disease control.

MOTOR VEHICLES

Mr. FAIR:

1. During each of the years 1940 to 1947 inclusive, how many automobiles were (a) made in Canada; (b) imported into Canada; (c) exported out of Canada?

2. During the same period, how many trucks were (a) made in Canada; (b) imported into Canada; (c) exported out of Canada?

Mr. McILRAITH:

1. Automobiles

Years	Made in Canada (a)	Imported into Canada (b)	Exported from Canada (c)
1940	109,911	15,155	18,145
1941	96,603	2,672	12,315
1942	12,236	327	5,283
1943	....	21	172
1944	....	35	62
1945	1,868	236	44
1946	91,871	18,642	23,451
1947	165,448	35,570	41,550

2. Trucks

1940	113,102	1,633	66,047
1941	173,588	799	130,304
1942	216,057	560	159,377
1943	178,064	712	165,910
1944	158,038	1,851	144,151
1945	130,777	552	122,768
1946	79,657	3,166	44,660
1947	91,683	6,289	42,215

PALESTINE COMMISSION

Mr. CHURCH:

1. Who are the five members, and of what countries, as announced by the UNO, appointed as commission for the partition of Palestine?

2. What stand did Great Britain take on it?

Mr. ST. LAURENT:

1. Already answered by Mr. Harris (Grey-Bruce) on February 25, 1948.

2. The United Kingdom delegate abstained from voting on the general assembly resolution of November 29, 1947, which provided for the partition of Palestine with economic union.

During the debate, however, he had indicated that his government would not be responsible for implementing a plan against the wishes of either the Arab or Jewish inhabitants of Palestine. He added that, if his government were asked to participate in implementing by force an assembly decision,

it must reserve the right to consider the justice of the decision and the amount of force required to put the plan into effect.

RECONSTRUCTION—VOTE OF $10,000,000

Mr. McCULLOUGH (Assiniboia):

1. How much of vote 606, of $10,000,000 of 1946-47 estimates has been spent on reconstruction projects?

2. What amount was spent on each specific project?

Mr. McILRAITH:

1. $269,226.09.

2. Project—Amount spent on each specific project—

Red Deer river diversion project: Ground surveys in connection with this project under the Prairie Farm Rehabilitation Act, $103,951.12.

South Saskatchewan river project: Surveys in connection with this project under the Prairie Farm Rehabilitation Act, $135,273.97.

Landing field at Pickle Lake, Ontario: Contribution towards construction of an extension to a landing field at Pickle Lake, $5,000.00.

Baie Comeau, Que.: Development work of air-landing facilities, $25,000.00.

(As set forth in public accounts, 1947, part II, page VA-22)

JUDGES

Mr. DIEFENBAKER:

1. How many judges, by provinces, have been appointed to (a) court of appeal; (b) supreme or superior court; (c) county or district courts since December, 1921?

2. Of the above how many were appointed under (a) governments headed by the present prime minister; (b) by the Bennett government?

Mr. ILSLEY:

1.

Province	Court of Appeal	Supreme and Superior Courts	County or District Courts
Ontario	19	36	95
Quebec	17	55	10 (Circuit Court)
New Brunswick	2	7	6
Nova Scotia	—	12	14
Prince Edward Island	—	5	5
Manitoba	10	13	19
British Columbia	16	16	23
Saskatchewan	6	7	22
Alberta	13	15	23

2.

Ontario	(*a*) 17	29	83
	(*b*) 2	7	12
Quebec	(*a*) 16	43	10
	(*b*) 1	12	—
New Brunswick	(*a*) —	4	5
	(*b*) 2	3	1
Nova Scotia	(*a*) —	9	10
	(*b*) —	3	4
Prince Edward Island	(*a*) —	5	5
	(*b*) —	—	—
Manitoba	(*a*) 9	11	19
	(*b*) 1	2	—
British Columbia	(*a*) 15	14	21
	(*b*) 1	2	2
Saskatchewan	(*a*) 6	7	19
	(*b*) —	—	3
Alberta	(*a*) 12	14	22
	(*b*) 1	1	1

DEPARTMENT OF LABOUR—ANNUITIES BRANCH

Mr. KNOWLES:

1. What was the total number of retirement annuity plans for employees in force under the annuities branch of the Department of Labour in 1920, 1925, 1930, 1935, 1940, 1945, 1946 and 1947 in each of the following classifications: (a) governmental bodies such as federal, provincial or municipal; (b) private companies and other non-governmental employers?

2. What was the total valuation of retirement annuity plans for employees in force under the annuities branch of the Department of Labour for each of the above years, in each of the above classifications?

3. What was the cumulative total of individual annuity contracts issued by the annuities branch of the Department of Labour, as at the end of 1920, 1925, 1930, 1935, 1940, 1945, 1946 and 1947?

4. How many persons are engaged in selling or making known the availability of government annuities (a) for group plans for companies, etc.; (b) for individuals?

5. In what other ways does the annuities branch advertise its annuity plans?

Mr. COTE (Verdun):

1. (a) and (b) Number of retirement annuity plans in force for employees under the Government Annuities Act:

	Total	Governmental Bodies	Non-Governmental Employers
March 31, 1920	0		
" 1925	0		
" 1930	0		
" 1935	0		
" 1940	4	0	4
" 1945	270	19	251
" 1946	433	41	292
" 1947	612	56	556

Note—These figures include only retirement plans administered under group contract, excluding some 200 small plans which are administered by individual contracts and are so recorded.

2. The valuations of annuities under retirement plans and annuities under individual contracts are not segregated and this information is, therefore, not available.

3. The cumulative total of individual annuity contracts issued is as follows:

March 31, 1920	4,836
" 1925	6,542
" 1930	11,521
" 1935	22,736
" 1940	58,915
" 1945	87,268
" 1946	95,451
" 1947	108,625

4. (a) and (b) 61 whole-time, 17 part-time annuities representatives, in addition to every postmaster or acting postmaster of any post office or sub-post office in the Dominion of Canada where money order business is transacted, other than those whose salaries are paid on a city office basis.

5. The display and distribution of advertising matter by postmasters throughout the country; the use of direct-mail advertising. On occasion space is used in daily newspapers, magazines, farm and labour publications.

UNEMPLOYMENT

Mr. KNOWLES:

1. What is the total number of unemployed persons in Canada, by regions, as at the latest available date?

2. What were the corresponding figures as at the same date one year and two years ago?

Mr. COTE (Verdun): Unplaced applicants registered at N.E.S. offices as at the dates shown were as follows:

	Feb. 19/48	Feb. 20/47	Feb. 21/46
Canada	200,124	195,238	259,227
Pacific region	31,232	31,232	33,245
Prairie region	32,310	37,359	39,540
Ontario region	53,597	51,072	79,491
Quebec region	57,083	50,954	85,037
Maritime region ..	25,902	27,561	21,914

PRINCE ALBERT JUDICIAL DISTRICT—DISTRICT COURT VACANCY

Mr. DIEFENBAKER:

1. How long has the vacancy in the district court bench in Prince Albert judicial district continued?

2. What is the reason for the delay in the appointment?

Mr. ILSLEY:

1. Since January 1, 1947.

2. As the volume of judicial work in the Prince Albert district since the retirement of Judge Doak has been such that the judges from Humboldt and Melfort districts have been able to perform it in addition to the duties in their own districts, it has not so far been deemed necessary to appoint a successor.

EXPORT OF ELECTRIC POWER

Mr. CHURCH:

What was the total amount of power exported by power companies of the provinces of Quebec and Ontario to the United States during the last year of record?

Mr. McILRAITH:

Amount of electrical power exported during fiscal year 1946-47—kilowatt years.

From Ontario, 195,168; from Quebec, 72,716.

AGRICULTURAL PRICES SUPPORT ACT

Mr. McCULLOUGH (Assiniboia):

1. How much has been spent under the Agricultural Prices Support Act, since it was passed in 1944?

2. For what purposes, and to what amount, has this act been invoked?

Mr. GARDINER:

1. $807,618.90.

2. Administration, $75,212.23.

To meet the net operating loss of the meat board, the dairy products board, and the special products board in respect to overseas contracts for 1946-47, $109,305.18.

Price support in respect to the 1946 potato crop in the eastern provinces, $123,101.49.

Price support in respect to the 1947 apple crop in Nova Scotia, $500,000.00.

INCOME TAX—FARMERS—INSPECTORS, ALBERTA AND SASKATCHEWAN

Mr. BENTLEY:

Has there been, and are there now, the same number of income tax inspectors in proportion to the number of farmers in all provinces as there are in Alberta and Saskatchewan?

Mr. WINTERS: No information as to the number of individuals operating farms in Canada. However, based on the latest available statistical information both as to the number of farms in Canada, and the amounts of cash income derived from the sale of farm products in Canada, the following comparative statement is furnished in answer to the question asked by the hon. member for Swift Current.

Province	(1) No. of farms	(2) No. of farm assessors	(3) No. of farms per farm assessor	(4) 1945 cash income from sale of farm products‡	(5) 1945 average cash income per farm	(6) Average farm income per farm assessor°
Alberta	89,541*	39	2,296	$ 289,125,000	$ 2,899	$ 7,414,000
Saskatchewan ...	125,612*	55	2,284	414,845,000	2,990	7,543,000
Manitoba	54,448*	32	1,701	153,401,000	2,643	4,794,000
Other provinces..	436,363†	88	4,959	828,475,000	1,899	9,415,000
All Canada	705,964	214‡	3,299	$1,685,846,000	$ 2,388	$ 7,878,000

*According to 1946 census (prairie provinces).
†According to 1941 census of Canada.
‡As at 19th February, 1948.
‡Canada Year Book for 1947.
°Based on columns (2) and (4).

EXPORT OF URANIUM

Mr. CHURCH:

What was the total amount of uranium exported by Canada to the United States during the last three years of record, and value of the same?

Mr. HOWE: The security regulations of the atomic energy board make it not in the public interest to answer this question.

Mr. SPEAKER: Dropped.

CANADIAN ARMY—OFFICERS

Mr. McCULLOUGH (Assiniboia):

1. How many commissioned officers were there in the Canadian army, as of January 31, 1948?

2. How many of these were of nationality other than Canadian?

3. What was the rank and nationality of each such officer?

Mr. LAPOINTE:

1. 2,290.

2. One.

3. Major—U.S.A. This officer served in the Canadian Army on active service during the war and continued in that force in the peacetime organization. He has applied for Canadian citizenship. He is at present serving outside Canada and cannot be granted Canadian citizenship until his return.

QUALIFICATIONS FOR ENLISTMENT IN CANADIAN FORCES

Mr. McCULLOUGH (Assiniboia):

1. Is it a necessary prerequisite that a person be a Canadian citizen to enter the Canadian army, navy or air force?

2. If not, what are the regulations in each case?

Mr. LAPOINTE:

1. No.

2. Must be British subjects.

CANADIAN NAVY—OFFICERS

Mr. McCULLOUGH (Assiniboia):

1. How many commissioned officers were there in the Canadian navy, as of January 31, 1948?

2. How many of these were of nationality other than Canadian?

3. What was the rank and nationality of each such officer?

Mr. LAPOINTE:

1. R.C.N. and R.C.N. (Reserve) 1,199.

2. 5.

3.

Rank	Nationality
2 A/Captain	British subject
1 Constructor Captain	British subject
2 Lieutenant Commander	British subject

NEW LONDON, P.E.I., BREAKWATER

Mr. McLURE:

1. What was the cost of repairing New London breakwater in Queens county, Prince Edward Island, in 1947?

2. Was this work done by contract or day labour?

3. If by day labour (a) who were employed; (b) and what amount was paid each employee?

4. Who was the foreman and what did he receive for his services?

Mr. FOURNIER (Hull):

1. Expenditure to January 1, 1948—$4,069.83. (Work completed in February 1948, but returns of expenditure for this month have not yet been received).

2. Day labour.

3.

(a) Name of employee	(b) Amount paid each employee
Everett McLeod	$ 291.20
Milton McKay	230.20
George Murphy	68.00
Watson Jost	148.00
Oliver Coles	158.00
Robert Jollymore	18.00
Robert Carr	128.00
Louis Coles	128.00
Williard Coles	108.00
Waldon Duggan	32.00
Horace Meek	28.00
Harry Underhill	12.00
Hall Burt	8.00
Francis McKay	8.00
James Cole	2.00
John R. McKenzie	2.00
Leslie Haynes	12.00
George Coles	74.00
Bruce Murphy	2.00
	$1,457.40

4. (a) Everett McLeod; (b) $291.20.

BARLEY—EXPORT PERMITS TO UNITED STATES

Mr. WINKLER:

For what derivatives of barley grain or processed matter of which barley has been the principal ingredient, are export permits to the United States of America now available to manufacturers?

Mr. McILRAITH: Only for barley malt within quota limitations.

SUBSIDIES ON RYE GRAIN

Mr. WRIGHT:

1. What was the amount of subsidies paid on rye consumed in Canada in the years 1942 to 1947 inclusive?

2. What was the minimum and maximum subsidy per bushel for each of the years.

Mr. BELZILE:

1. Commodity Prices Stabilization Corporation Ltd. paid domestic subsidies on rye grain used in the manufacture of rye flour and rye meal sold on and after May 1, 1943 to September 15, 1947 as follows:

1943	—	$ 9,165.24
1944	—	63,088.12
1945	—	37,712.08
1946	—	228,746.56
1947	—	216,072.59
		$554,784.59

2. The amount of subsidy per bushel varied with the cost of rye grain, but the basis on which subsidy was calculated remained constant throughout the period. The subsidy was equal to the amount by which the cost of grain used in the manufacture of rye flour, or rye meal, (varied by appropriate charges and grade differentials in order to convert the cost into terms of rye No. 2 CW Fort William or Vancouver) exceeded 66⅝c. per bushel.

INCOME TAX—BELLEVILLE OFFICE

Mr. DROPE:

1. How many employees were there in the income tax office at Belleville, Ontario, as of January 1, 1945, 1946, 1947 and 1948?

2. What was the total income tax collected in each of the fiscal years of 1945 to 1947 inclusive, at this office?

Mr. WINTERS:

1. 1st January, 1945, 64; 1st January, 1946, 77; 1st January, 1947, 82; 1st January, 1948 121.

2. Fiscal year 1944-45, $10,681,538; fiscal year 1945-46, $10,196,018; fiscal year 1946-47, $7,674,880.

ALBERTA MUSKRAT PROJECT, ATHABASKA RIVER

Mr. DECHENE:

1. Has the dominion government any further information to give with respect to the Alberta muskrat project in the delta of the Athabaska river near Fort Chipewyan?

2. What has been the result of the negotiations with the Alberta government which controls the lands outside the Indian reserves in the area?

3. Has the Alberta government taken the necessary action to enable the dominion government to proceed with the prompt development of the project?

Mr. GLEN:

1. A preliminary survey of the provincial lands was carried out by the provincial government during 1947. A final report has not yet been received.

2. A preliminary report has been received, however, which indicates that due to unusual water conditions on the marshes further work will have to be done.

3. No.

LEPROSY—DISCHARGE OF PATIENTS FROM HOSPITAL

Mr. DIONNE (Beauce):

1. Are the patients of the two dominion government hospitals operated by the Department of National Health and Welfare for the treatment of leprosy, discharged at any time from hospital?

2. If so, under what conditions does the Department of National Health and Welfare authorize the said discharge from hospital?

Mr. MARTIN:

1. Yes. During the past fifteen years, fifteen patients have been discharged. Nine were returned to their native country. Six were released in Canada under conditions which fully met modern health practice.

2. Clause 14 of the Leprosy Act reads as follows:

"Every inmate received into any lazaretto for lepers shall be detained therein until the medical superintendent or officer in charge of the lazaretto certifies that it is safe for him to be discharged and to be at large.

2. The discharge of an inmate may be subject to any conditions certified by the medical superintendent or officer in charge to be necessary or expedient."

PALESTINE

Mr. CHURCH:

1. What stand did Great Britain take on the question of the division of Palestine?

2. Who represented Britain when this action was taken?

3. What military forces have the united nations got, and representing what countries herein, to enforce such a division?

Mr. ST. LAURENT:

1. It abstained from voting.

2. The Right Honourable Sir Alexander Cadogan, G.C.M.G., K.C.B., permanent United Kingdom delegate to the United Nations.

3. None at present.

PRAIRIE FARM ASSISTANCE—SASKATCHEWAN

Mr. JAENICKE:

According to the returns, reports, and records of the administration of the Prairie Farm Assistance Act (a) how many acres of wheat were sown during the year 1947 on each of the sections one (1) to thirty-six (36) inclusive, in township thirty-seven (37), range twenty-two (22) west of the third meridian, in the province of Saskatchewan? (b) How many bushels of wheat were threshed during the year 1947 on each of the said sections?

Mr. GARDINER: This information is obtained from the individual farmers for prairie farm assistance purposes on the understanding that it is to be treated as confidential.

CARBERRY, MAN., AIRPORT—GOODS IN STORES

Mr. MATTHEWS (Brandon):

1. What goods are in stores at the airport at Carberry, Manitoba?

2. Have all or any part of these goods been declared surplus?

3. If not, when approximately will they be so declared?

Mr. MATTHEWS (Brandon): I have received the information asked for, and the question may be dropped.

Mr. HOMUTH: The hon. member placed a question on the order paper. He says he has received the information and now he wants the question dropped, but I believe the house wants the information.

Mr. SPEAKER: Dropped.

FAMILY ALLOWANCES

Mr. JAENICKE:

1. With what provinces has the Department of National Health and Welfare concluded agreements or made arrangements to facilitate the carrying out by the provinces of the Family Allowances Act?

2. Which of the provinces, with whom no such arrangements or agreements have so far been concluded, have been approached by the Department of National Health and Welfare with a view to concluding such arrangements or agreements and what was the result of the negotiations in each case?

3. Have any of the provinces with whom so far no arrangements or agreements have been concluded, made representations that they are ready and willing to enter into such arrangements or agreements, and if so (a) which provinces; (b) why have no such arrangements been made so far?

4. Has the Department of National Health and Welfare any employees or staff stationed in the provinces with whom arrangements have been made for the carrying out by the provinces of the Family Allowances Act, and if so, how many in each province?

5. What is the number of the employees or staff of the Department of National Health and Welfare engaged in carrying out the Family Allowances Act in each of the provinces which have not made arrangements for the carrying out by the provinces of the Family Allowances Act?

Mr. MARTIN:

1. The Department of National Health and Welfare has not concluded agreements nor

made arrangements with any of the provinces to facilitate the carrying out by the provinces of the Family Allowances Act.

2. Answered by 1 above.

3. No.

4. Answered by 1 above.

5. Province—No. of employees:

Prince Edward Island, 7; Nova Scotia, 46; New Brunswick, 35; Quebec, 204; Ontario 208; Manitoba 51; Saskatchewan 48; Alberta 53; British Columbia 44; Northwest Territories and Yukon 6.

FAMILY ALLOWANCES

Mr. MATTHEWS (Brandon):

1. How many investigations in respect of family allowances were conducted by public or private agencies since the 1st April, 1947?

2. What was the cost of investigations conducted in respect of family allowances by public or private agencies since the 1st April, 1947?

Mr. MARTIN:

1. 3,633—from April 1, 1947 to November 30, 1947 (the latest month for which complete figures are available).

2. $21,265.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PENITENTIARIES—ST. VINCENT DE PAUL—OIL AND GASOLINE

Mr. LACOMBE:

1. Was any oil or gasoline sold and delivered to the St. Vincent de Paul penitentiary during 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947 and 1948?

2. If so, what are the names, places of business and residences of the suppliers respectively?

3. What quantity was delivered by each supplier during the above years and what was the price paid therefor?

Mr. ILSLEY: Return tabled.

PENITENTIARIES—ST. VINCENT DE PAUL—MILK

Mr. LACOMBE:

1. During 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947 and 1948, was any milk supplied to the St. Vincent de Paul penitentiary?

2. If so, what are the names of the suppliers?

3. What quantity was delivered for each of the above years?

4. What was the price paid during such years?

Mr. ILSLEY: Return tabled.

PENITENTIARIES—ST. VINCENT DE PAUL—EMPLOYEES

Mr. LACOMBE:

1. During 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947 and 1948, have any employees been appointed to the St. Vincent de Paul penitentiary?

2. If so, what are the names of such employees and what was their respective place of residence at the time of their appointment?

Mr. ILSLEY: Return tabled.

PAYMENTS TO FARMERS UNDER UNITED KINGDOM CONTRACTS FOR WHEAT, BACON AND BEEF

Mr. FULTON:

1. What are the total amounts supplied by Canada to the United Kingdom under (a) the wheat contracts (in bushels); (b) the bacon contracts (in pounds); (c) the beef contracts (in pounds) respectively, from June, 1945, to date?

2. What are the total payments (a) made by the British government; (b) received by Canadian farmers, for the respective amounts supplied?

3. What were the respective yearly payments, under the same headings as in question 2, for each year or part year that these contracts have been in operation from June, 1945, to date?

4. What is the difference, in each such period, between what was received by Canadian farmers for each of the commodities supplied under the above contracts respectively and what the same amount of each commodity would have fetched had it been sold at the class 2 price quoted by the Canadian wheat board for the same period with respect to wheat and at the prevailing market price in the United States of America in the same period, with respect to bacon and beef?

PUBLIC BUILDINGS, WINNIPEG

Mr. DIEFENBAKER:

1. How many buildings, properties or offices are held under lease or rented by the dominion government in the city of Winnipeg, Manitoba?

2. What has been the total expenditure for such rentals in each of the fiscal years 1945, 1946 and 1947?

3. What are the particulars of each office or building rented in each of said years, from whom and at what monthly or yearly rental in each case?

EXPORT OF SEEDS

Mr. WRIGHT:

1. What was the export of clover seeds, grass seeds and seed grains from Canada in the years 1946 and 1947 under the following headings: (a) elite stock seed; (b) registered seed; (c) certified seed; (d) commercial seed?

2. To what countries were these exports made and the amounts to each?

3. Have any steps been taken by the dominion government to restrict such exports until Canadian requirements are filled?

IMMIGRATION—NORWAY, DENMARK, SWEDEN, SWITZERLAND

Mr. WINKLER:

For the past year or for any convenient recent period, how many prospective immigrants to Canada were (a) examined; (b) accepted as immigrants at the following European points: Oslo, Norway; Copenhagen, Denmark; Stockholm, Sweden; Berne, Switzerland?

CANADIAN EMBASSIES

Mr. BLACKMORE:

1. How many Canadian embassies have we?
2. What are the names of these Canadian embassies?
3. Who are the major officials connected with each of them?
4. Who are the minor officials connected with each of them?
5. How many employees have we in subordinate positions in Canadian embassies?
6. How many employees have we in major positions in Canadian embassies?
7. What is the salary given to each of the major officials?
8. What is the salary given to each of the minor officials?

VETERANS LAND ACT—YORK COUNTY, ONT.

Mr. McGREGOR:

1. What is the total cost of each home constructed under the Veterans Land Act in Scarboro township in the county of York?
2. How many homes were built under the V.L.A. in Scarboro township?
3. What was the cost per unit of project overhead and how was the same made up?
4. What was the total cost to the veteran for each home?
5. What was the total cost of repairs or alterations to each house to December 31, 1947?
6. Are administrative costs included in the total cost of construction for each house?
7. If not, what was the total cost of administration on each house?

VETERANS LAND ACT—EAST YORK TOWNSHIP

Mr. McGREGOR:

1. What is the total cost of each home constructed under the Veterans Land Act in East York township?
2. How many homes were built under the V.L.A. in East York township?
3. What was the cost per unit of project overhead and how was the same made up?
4. What was the total cost to the veteran for each house?
5. What was the total cost of repairs or alterations to each house to December 31, 1947?
6. Are the administrative costs included in the total cost of construction for each house?
7. If not, what was the total cost of administration on each house?

VETERANS LAND ACT—HOUSES CONSTRUCTED—COST OF ADMINISTRATION

Mr. McGREGOR:

1. How many houses have been constructed under the Veterans Land Act to December 31, 1947?
2. What was the total cost of these houses?
3. Were they all of the same dimensions?
4. If so, what was the average over-all cost per house?
5. If not, what was the average over-all cost per house in each different dimension?

[Mr. Winkler.]

6. What was the total cost of the administration of the Veterans Land Act to December 31, 1947?
7. Was the cost of administration included in the average over-all cost of the houses?

MOTIONS FOR PAPERS

APPOINTMENT OF JUDGE FOR DAUPHIN, MAN., JUDICIAL DISTRICT

Mr. ZAPLITNY:

For a copy of all correspondence, telegrams and other documents exchanged between the Department of Justice and any person or persons since January 1, 1947, regarding the appointment of a judge for the judicial district of Dauphin, Manitoba.

Mr. ILSLEY: I have no objection to this motion passing, Mr. Speaker, provided it is understood that the usual practice is observed of regarding as personal and privileged any communications to the Minister of Justice making representations with regard to particular persons and their qualifications. That has always been the case, and I will have to insist that it be the case now. There is one communication not of that character on the file, which I will produce.

Mr. SPEAKER: Carried.

INCOME TAX—FARMERS—DIRECTIVES TO OFFICIALS

Mr. FAIR:

For a copy of all directives sent to administrative officials in income tax offices since January 1, 1947, to date, with respect to farm income tax payments.

STENEN, SASK., POSTMASTERSHIP

Mr. NICHOLSON:

For a copy of all correspondence, telegrams and other documents in possession of the post office department since January 1, 1947, in connection with the appointment of postmaster at Stenen, Saskatchewan.

POSTAL SERVICE—"HUDSON BAY POST"—POSTAGE AND MAILING CHARGES

Mr. NICHOLSON:

For a copy of all letters, telegrams and other documents in possession of the post office department since January 1, 1947, in connection with the postage payable by the Hudson Bay *Post*, Hudson Bay, Saskatchewan, and a return showing the average amount paid per week for mailing the Hudson Bay *Post* during 1947.

NATIONAL FILM BOARD—ADVERTISING

Mr. FRASER:

For a copy of catalogues, leaflets, advertisements and all other publications issued during the year 1947 by the national film board, or any of its agencies in Canada, or foreign countries.

WHEAT BOARD ACT

INQUIRY AS TO NECESSARY PROVINCIAL COMPLEMENTARY LEGISLATION

On the orders of the day:

Mr. P. E. WRIGHT (Melfort): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce with respect to a telegram received recently from the Saskatchewan government. Has the minister, through the Department of Justice, forwarded any information to the Saskatchewan government with respect to the provincial complementary legislation necessary to implement the proposed amendments to the wheat board act?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Mr. Speaker, I assume the question is addressed to me. I was not listening to it. I did receive a telegram yesterday from the Premier of Saskatchewan asking for advice from this government as to the type of complementary legislation that would be required. Study is being given to the appropriate answer to that telegram.

Mr. BENTLEY: Tell that to the member for Rosthern (Mr. Tucker) too.

LOANS TO OTHER COUNTRIES

INQUIRY AS TO AMOUNTS NOT REPAID

On the orders of the day:

Mr. E. D. FULTON (Kamloops): Mr. Speaker, may I direct a question to the Minister of Finance? In view of the statement made by the Minister of Agriculture (Mr. Gardiner) on Friday last with respect to the non-repayment of credits and loans made by the government of Canada to foreign countries, will the Minister of Finance tell the house what quantity or proportion of these credits and loans the government expects not to have repaid?

Hon. DOUGLAS ABBOTT (Minister of Finance): I shall have to look at *Hansard* and see my hon. friend's question, notice of which he no doubt did not have time to give me.

Mr. FULTON: The question is based on a statement made by the Minister of Agriculture on Friday.

APPLES

DURHAM COUNTY—QUESTION AS TO MARKETING

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, in view of the courtesy that has been shown the members of this house in having very fine apples presented to us from Durham county, will the Minister of Agriculture see that a market is provided for them?

POLISH ART TREASURES

QUESTION AS TO INVESTIGATION BY MOUNTED POLICE

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs in connection with the Polish art treasures to which the afternoon papers have made certain reference, and to ask him whether or not the Royal Canadian Mounted Police were directed by him to make or execute a search for these treasures.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, I had prepared a statement on the matter of the Polish art treasures, the instructions which had been given the Royal Canadian Mounted Police, and what they had done under those instructions; but I was shown, just before I came into the house, a dispatch from the city of Quebec so extraordinary in terms and so inaccurate in its assertions that I would prefer to see whether the declaration referred to has been made, and then deal with that at the same time. I hope to do so tomorrow.

Mr. DIEFENBAKER: I would point out that the reason for the question is that about a month ago the Montreal *Herald* stated that the minister had given instructions, and when the mounted police were interviewed they refused to deny or to confirm whether the instructions came from him.

Mr. ST. LAURENT: I have no objection to making all the information available to the house, and I had intended to do so, but in view of the dispatch that was handed to me just before I came into the house I think the statement I shall make tomorrow will have to be a little more complete than I had intended it to be.

WHEAT

PRAIRIE FARM ASSISTANCE—OVERPAYMENTS UNDER WHEAT ACREAGE REDUCTION SCHEME

On the orders of the day:

Mr. F. S. ZAPLITNY (Dauphin): Mr. Speaker, on Friday last I addressed a question to the Minister of Agriculture in connection with certain regulations of the prairie farm assistance board. He said then that he would look into the matter and reply. I wonder if he has the reply to that question today.

Right Hon. J. G. GARDINER (Minister of Agriculture): The answer to the question was laid on my desk today, but I referred it back to Justice on one point. As soon as I get the full information it will be brought down.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Tuesday, March 2, consideration of the motion of Mr. J. A. Dion for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Bracken, and the amendment to the amendment of Mr. Coldwell.

Mr. T. V. GRANT (Kings): Mr. Speaker, last night when the debate adjourned I was trying to repair some of the damage which had been done by the Tory member for Queens in an address which he had made a day or so previously regarding conditions in the province of Prince Edward Island.

Mr. SPEAKER: Order. There is so much noise in the chamber that it is difficult to hear what the hon. member is saying. May I ask the hon. member who has the floor to speak louder, please.

Mr. GRANT: I had shown that 9,373 cars of potatoes were shipped across the straits last crop season, a larger number than had been shipped in any previous year. Incidentally, the potato crop of Prince Edward Island last year amounted to about 10,000,000 bushels.

The Tory member for Queens had attempted to belittle the federal government, but in doing so he belittled his own province. I was reminded of the oration of John Bright in the British House of Commons when he was depicting the condition of the Irish people a few generations ago at the hands of the British government. As far as the federal government's dealings with Prince Edward Island are concerned, I shall speak of my own constituency.

Since I came into the house in 1935 the federal government has constructed seven boat harbours in my constituency for the benefit of the fishermen, and I do not think my hon. friend can point to one boat harbour on the whole island which his party has ever constructed. I have just received notice that a new boat harbour will be constructed at Launching Place, the contract having been awarded to H. J. Phillips and Son, the lowest tenderer, at $63,853.30, so that both the county

and the province as a whole will benefit from this new harbour. There is another boat harbour in my constituency being constructed at Bayfield at the present time. It is being done by day labour, the men are now getting out the lumber and the money has already been voted.

I think the Liberal party rather than the Conservative party should claim the title "progressive", but the Liberal party does not believe in changing its name. It is only bank robbers and bandits and people with too many letters in their names who want to change them. On the contrary, the Conservative party on several occasions, have made their name longer. For example, in 1920 they changed their name to the National Liberal and Progressive Conservative party of Canada. The Liberal party brought in old age pensions, family allowances and many other social benefits, and that is why I say they should claim the title "progressive".

Speaking of socialism, I listened yesterday for a short time to the hon. member for Winnipeg North Centre (Mr. Knowles). I am not finding fault with his speech because I admire him. However, he seems to be opposed to free enterprise. I cannot understand why the C.C.F. party should be opposed to free enterprise because I do not think there would be one of them here today if when he was born his veins had not been full of free enterprise. There was one thing the hon. member for Winnipeg North Centre admitted unwillingly, that is, that the Liberal party would be in power until 1971.

The Tory member for Queens (Mr. McLure) stated that he did not have time to deal with the question of mail couriers and fishermen. If there is any party in this house who should keep away from the mail courier question, it is the Tory party. We all remember the last session before the 1930 election. They brought in an amendment to the Post Office Act to place the mail couriers in the civil service, but like all opposition amendments it was voted down. In the early part of the campaign every mail courier in Canada had in his possession a letter signed by the leader of the Conservative party giving the details of that resolution and saying that if they came to power they would put them all in the civil service. I tell you, sir, it was dangerous to meet a mail courier on the road during that campaign.

But what happened? Shortly after the Tories came into power the mail couriers began to ask to be placed in the civil service, but instead of placing them in the civil

service they threw out all their contracts to tender to keep them quiet. I know that many of these poor men could not get any money. I know one man who was getting $1,100 and who heard that his neighbour was going to tender for $500, so he tendered for $480 and got the contract. But today under a Liberal government that same man is getting $1,400 under the new regulations brought in last year by the Post Office Department.

My hon. friend—

An hon. MEMBER: The Tory member for Queens.

Mr. GRANT: Yes, the Tory member for Queens. He wants to have a share of the glory of those new regulations. When he sees that we are trying to do something he decides to get in on it and take some credit. He claims credit for the 9,393 reefer cars that were brought to the island last year.

The affairs of our fishermen are something else that they should keep away from. During their term in office between 1930 and 1935 the fishermen of Canada were starving and they did not do one thing for them. They let them starve. Their boats were rotting at the wharves when we got into power in 1935. When we came into power we instituted the fishermen's loan board and we helped the fishermen to build new boats, and when the war came along they were just beginning to be prosperous again. My hon. friend would try to persuade the fishermen that his party would do a lot for them. We are trying to get the Department of Fisheries to buy canned fish in the maritimes and send it overseas for relief purposes. If that is done, then my hon. friend will want to take the credit.

I see the Tory member for Royal (Mr. Brooks) is in his seat. If there is one man in this house who does not like the word "Tory" it is my hon. friend. You cannot mention the word "Tory" without his hair standing on end. I am reminded of the farmer who was working in his fields when a young man came along and put his hand on his shoulder and asked him what he was doing. The farmer said, "I am doing my work." The man said, "I am a farm inspector; stop your work and show me around." He showed the farmer a card which read, "So and so, farm inspector." The farmer looked at the card and said, "I guess that is enough," and he went with him. They looked at all the fields and finally came to a pasture field where there were a lot of cattle. The inspector man jumped over the fence to go to look at the cattle standing in the shade of a canopy which the farmer had erected. When he got near the cattle a male animal came toward him. It was advancing pretty fast and the inspector thought he should retreat.

An hon. MEMBER: More bull.

Mr. GRANT: He barely got over the fence before the bull landed. The inspector turned to the farmer and said, "Why do you keep an animal like that around your place?" and the farmer replied, "Why didn't you show him your card?" There is a moral to that story which I think the hon. member for Royal should take to heart. The moral is that you cannot reason with a bull.

Mr. BROOKS: There is no reason in your bull.

Mr. FRASER: The moral of that is that a little bull goes a long way.

Mr. GRANT: The advice given me by one of my old teachers is that when you heard nothing, you should say nothing. However, it is hard to resist when the hon. member across the way, who I understand is an authority on nails, drives one in.

In some countries there is a bird known as the vulture. It is a stout bird and it watches around for some other bird of its own size to build a nest and lay its eggs and then it goes in and eats the other bird's eggs and lays its own eggs and then loafs around until the other bird hatches out the young ones and rears them. I was just thinking that perhaps those are the tactics that have been adopted by the Tory member for Queens. He waits around until he finds that something is going to be done and then he slips into his seat and asks the minister a question about it for the benefit of his constituents.

I notice my time is getting short, and I want to say something to the government. This government is not perfect any more than any other human organization. I want to say a word about the sale of canned fish. There is going to be difficulty in selling all this fish in this country. The canneries are about to start up operations and an appeal is being made to the Department of Fisheries to buy our surplus canned fish to be sent overseas for relief purposes. I hope the government will take note of that, as it is of vital importance to our canners and fishermen.

For some years we have had a car ferry by means of which a very good trade has been worked up between eastern Prince Edward Island and Nova Scotia. But it is only a summer boat and in the fall she ceases to operate. We have however two winter ports, Georgetown and Pictou, in the near vicinity, and our people want the government to put

on this route in winter, one of the winter boats which is idle at Borden. A largely signed petition has been presented to the Minister of Transport (Mr. Chevrier) asking for this service, and the board of trade has also asked for it, and I trust that the minister will accede to that request.

There are other matters with which the government should deal. One is the sales tax, that Tory sales tax. It should be abolished, and I hope it will be abolished this year. Everyone who goes out to spend a dollar finds himself short by at least eight cents because of that tax. Then there is a luxury tax of twenty-five per cent on refrigerators and other household furnishings. These taxes should be taken off to give the people a chance to live. Prices are so high at the present time that the government has started an investigation into the cause and a committee is now looking into that matter. Why not at the same time reduce or abolish some of these taxes that perhaps we can get along without?

As I have said, this government, being a human organization, is not perfect.

The ancient philosophers' conception of the perfect man was in the possession of those powers and qualities which are required for the honourable discharge of his duties in life, each in the golden mean, equally removed from excesses and all in due proportion. If any hon. gentleman in this house can be placed in that category I think it is our Prime Minister (Mr. Mackenzie King), who may not be with us at the next session of parliament. He has devoted almost fifty years of his life to the welfare of humanity. He has been a wise peacetime leader, and second to none as a wartime leader. In this regard his name is a household word in every civilized country in the world. He has not sought titles, but he has won for himself the only title that has any lasting value, the title of "Good and faithful servant".

Mr. McLURE: Mr. Speaker, on a point of order, notwithstanding that the last speaker, according to his own words—

Mr. SPEAKER: Order. I would ask the hon. member to state his point of order.

Mr. McLURE: On a question of privilege, Mr. Speaker, notwithstanding that the last speaker, according to his own words, was painfully disturbed by my remarks, I do feel that—

Mr. SPEAKER: Order. I would ask the hon. member to state his question of privilege.

[Mr. Grant.]

Mr. McLURE: This is my question of privilege. I do feel, however, that my remarks—

Mr. SPEAKER: Order.

Mr. E. G. McCULLOUGH (Assiniboia): Mr. Speaker, the debate on the address in reply to the speech from the throne permits members to bring before the House of Commons any grievances which they may have. I have very many grievances; and may I say that we have come out of the war in a privileged position and that if we take pains and do the necessary planning we can as it were become a torch to the free peoples of the world. It is because of that I rise today not as a Canadian representing only my own constituency but hoping rather to speak what is in the minds and what are the desires of the great majority of the Canadian people.

It is true that the present Liberal government has many problems, problems which are complex not only as they relate to Canada but also as they relate to the international picture. Since 1939 we have seen the light of freedom go out in many countries throughout the world, and that has been very distressing to us, but here in Canada we have been fortunate in escaping the tragedies which have overtaken many countries in Europe and Asia. Therefore I want to bring to the attention of the government some of the things I feel should be done to allow the people of Canada to share in a post-war prosperity which, as I say, will be a light to a darkened world.

I want to refer to the veteran, the old age pensioner, the worker and the farmer.

In the first place I feel that the veteran has not been allowed to have that share in the post-war reconstruction of this country to which he is entitled and which Canada could easily afford. We have seen in Canada sledge-hammer blows, one after another, struck at our Canadian economy. Principally because of the decontrol measures of this government the veteran has been put in an almost hopeless position, where he is not able to buy a house or house furnishings, or rehabilitate himself on a farm and buy the necessary farm machinery. We have seen costs continually going up so that his gratuity and re-establishment credit have not been sufficient to enable him to rehabilitate himself.

Old age pensioners too have been shamefully treated by this government. While the government saw fit to introduce a bill increasing the pension by $5 a month, already that increase has been eaten up by higher costs of living.

It is the same with our workers. During the war the workers across this country were willing to accept the freezing of wages, just as the farmer was willing to accept the freezing of prices in order to win the war, but both the farmer and the worker expected fair treatment in the post-war period, and they have not got it.

I was at a demonstration at an airport the other day where it was indicated that one of the large aeroplanes called the *North Star* would cost approximately half a million dollars to build in Canada. So here we see the same thing happening now that happened during the war—all kinds of money to build these things, but when it comes to rehabilitating hundreds of people who went and fought for freedom, not very much is done.

I had a return brought down the other day in answer to these questions:

1. How many applications have been made each year, by provinces, for the Veterans Business and Professional Loans Act?
2. How many of these applications have been granted, by provinces, to date?

I find in my own province of Saskatchewan that the number accepted is 269, and the amount of the loans given to these veterans is $461,218, a mere pittance; less than half a million dollars to rehabilitate all the veterans who have applied under this Veterans Business and Professional Loans Act to rehabilitate themselves. The act is not working, sir. I have had veterans come to me asking whether they could get a loan to rehabilitate themselves. The return I received indicates the sort of niggardly assistance that is being given under the provisions of this act.

The workers of this country by and large accepted the freezing of wages—

Mr. MITCHELL: May I interrupt the hon. member? I am sure he does not want to convey the wrong impression. Wages were never frozen in this country.

Mr. McCULLOUGH (Assiniboia): You may have it your own way; they were controlled.

Mr. MITCHELL: I should know. I was chairman of the national labour board before I came in to the government; I helped frame the policy.

Mr. McCULLOUGH (Assiniboia): It is true; the workers never went on strike. They agreed to win the war, to take the rulings of the government and not go on strike.

Mr. MITCHELL: That is all right back home, but you can't get away with it here. All the labour organizations as well as the employers were represented on the national labour board. Let us be fair about it.

Mr. McCULLOUGH (Assiniboia): That is all right. I would just ask the minister to make his own speech. I am speaking now, and he may refute anything I say later if he wishes.

I say that all across this country the workers and farmers were ready to join together in co-operation to win the war. In many instances they were working for wages during the war which were far below what we could say were decent wages. All that they are asking today is that either prices and profits be controlled or that their wages go up, so that they can attain a decent standard of living.

Last fall we had the packers strike. I say to the minister that if he had done as suggested by this party since I became a member of it in 1945, namely, establish a national labour code under which we could have the right of collective bargaining, there would not be the strikes across this country which we have seen since the termination of the war.

Mr. MITCHELL: My hon. friend knows that is not true.

Mr. McCULLOUGH (Assiniboia): That is all right. You passed the buck; you passed the responsibility of the federal government back to the provinces, and that was the cause of the packing house strike.

Mr. SPEAKER: Order.

Mr. McCULLOUGH (Assiniboia): We had there an instance of what took place because of inability to come to an agreement. The federal government, not taking proper responsibility in the matter, tried to throw it back on the provinces, and therefore we had a glut on the livestock market.

This afternoon I intend to speak particularly of the farming or agricultural conditions in this country because I feel that the great mass of workers and farmers are interdependent. Since agriculture is the backbone of the country the prosperity of the worker is certainly dependent on the farmer. Therefore it is certain that we must have prosperity in agriculture in order for the worker to have a decent standard of living. As a farmer I say the workers and the people of this country are our best customers. We want them to receive decent wages so that they can buy the beef, butter, pork, cheese and other farm commodities which we produce.

I want to give a brief resume of what has taken place in the field of agriculture. In western Canada we came through deplorable years during the depression when we had my hon. friends to the right in power, and later the Liberal party which is now in power. During those tragic years the farmers of western Canada were taking absolutely ridiculous prices to feed not only the people of Canada but also of the world. I shall not give all the figures, but I do want to give some. These figures are actually what the farmer got for his various commodities. I think, Mr. Speaker, it would be well to put these on the record as a whole, if I can get the unanimous consent of the house, because all the figures that have been given, so far as I am aware, have been for wheat and coarse grains f.o.b. Winnipeg, Port Arthur and Vancouver. The figures I am about to quote give the net returns to the farmer. I wish to refer to some of them.

Shortly after the Tory party came into power the farmer was getting 47 cents a bushel for No. 1 northern wheat. In 1932 he got 38 cents; in 1933-34, 47 cents, and so on. In 1930 the farmer got 15 cents a bushel for oats; 18 cents in 1931, 13 cents in 1932 and 19 cents in 1933. For barley he received 12 cents in 1930, 21 cents in 1931 and 19 cents in 1932. The other day the hon. member for Calgary West (Mr. Smith) asked me what the farmers were getting for rye at the present time, perhaps indicating that the open market and the grain exchange were giving a market for the farmers' rye. I wish to tell the house here and now that I myself have marketed rye for 12 and 15 cents a bushel on the open market. I think I speak for the majority of western farmers when I say that we never want to see a return of prices which are contained in the table which I shall put on *Hansard*. Here are the prices that obtained on the open market: in 1930, 17 cents; 1931, 23 cents; 1932, 24 cents. That is the sort of thing we have had from the Winnipeg grain exchange. Is it any wonder that not one of us from western Canada, who has worked to produce these things, wants to see the Winnipeg grain exchange remain open? We want to see the Winnipeg grain exchange closed. Today we are getting $5 for our flaxseed. I understand we are going to get another 50 cents. In the United States they are paying $7 a bushel for flax. Here are the prices we received for it in the thirties: in 1930, 89 cents; in 1931, 77 cents, and so on. If I am permitted I should like to put these figures on *Hansard*, Mr. Speaker, and I shall not read any more of them.

Mr. MITCHELL: What is the source?

[Mr. McCullough (Assiniboia).]

Mr. McCULLOUGH (Assiniboia): Have I the consent of the house?

Mr. SPEAKER: Has the hon. member unanimous consent to put the table on *Hansard*?

Mr. MITCHELL: I should like to know the source of the figures.

Mr. McCULLOUGH (Assiniboia): They are taken from the agricultural branch, Dominion Bureau of Statistics, Ottawa, May 4, 1946.

Mr. SPEAKER: Has the hon. member the unanimous consent of the house?

Some hon. MEMBERS: Agreed.

Mr. McCULLOUGH (Assiniboia): The table follows:

Average Farm Price for Wheat, Oats, Barley, Rye and Flax
Saskatchewan, 1930-1940

Year	Wheat	Oats	Barley	Rye	Flax-seed
1930-31	0·47	0·15	0·12	0·17	0·89
1931-32	0·38	0·18	0·21	0·23	0·77
1932-33	0·35	0·13	0·19	0·24	0·60
1933-34	0·47	0·19	0·24	0·33	1·19
1934-35	0·61	0·27	0·47	0·46	1·13
1935-36	0·60	0·17	0·24	0·25	1·18
1936-37	0·92	0·35	0·67	0·63	1·44
1937-38	1·05	0·38	0·46	0·67	1·42
1938-39	0·58	0·16	0·22	0·25	1·11
1939-40	0·54	0·23	0·30	0·40	1·40
1940-41	0·53	0·21	0·27	0·30	1·05

Agricultural Branch,
Dominion Bureau of Statistics,
Ottawa, May 4, 1946

We of this group feel that coarse grains should be taken off the open market and placed under the control of the wheat board or some other board so that we shall not have speculation in coarse grains in the future. Some hon. members of the party to my right, I believe, feel that the farmers should have the right to market their grain either on the open market or through the wheat board. With regard to wheat I hold in my hand a chart prepared by the *Co-operator* of January 1947, which indicates that in the crop year 1939-1940 the farmer was getting only 50¾ cents for his wheat on the average for that year.

Mr. SMITH (Calgary West): Will the hon. member permit a question?

Mr. McCULLOUGH (Assiniboia): Yes.

Mr. SMITH (Calgary West): With reference to the figures he has just given, is it not true that even at these terribly low prices the Canadian farmer received nearer the world market price for his grain than he is receiving today? Is it also not true that at that time we had a world cataclysm economically and everything else sold at prices comparable to wheat? Is not that also true?

Mr. McCULLOUGH (Assiniboia): No.

Mr. BENTLEY: That is absolutely not true.

Mr. McCULLOUGH (Assiniboia): I have some more figures that I intend to put on the record today if I have time, indicating the prices the farmers were paying for their needs in those same years. In spite of the fact that we had a price spreads commission which reported to the government that these prices were far too high, nothing was done about it. I think it was the same sort of prices committee as that which we have today, or at least the result will be practically similar.

Mr. BENTLEY: It was a Tory committee, with one of their own ministers as chairman.

Mr. McCULLOUGH (Assiniboia): This is right. I have here a photographic reproduction of a grain card dated December 16, 1932, which gives the list prices applied to all grains purchased in elevators regardless of quantity at that date. We find that the price of No. 1 northern, which is the average grade of wheat for western Canada, at the 25-cent freight rate, was 16½ cents; for oats on that same day, at the 19½-cent freight rate, it was 4½ cents; for barley on that date, it was 11 cents. Coming down to flax, we find that for 3 C.W. at the 25½-cent freight rate the price was 42 cents. So that we in western Canada are determined that after the war we shall have justice and we want no speculation in the food of this country. As Sir John Boyd Orr said to the F.A.O. organization, today the world is seeking for food. If we are to have all-out production in western Canada we must have stability for agriculture. The farmer took lower prices than he could have got on the world market during the war, but we expect justice now. When the British wheat agreement was consummated the leader of this party said, as reported in *Hansard* of August 15, 1946, at page 4825:

> I believe the government would be well advised to consider this suggestion that, in the event of the costs of production rising for the next few years, as they will do largely because of the government's failure to maintain the ceilings, any difference there may be between what the farmer receives for his wheat and the increased cost of production should be made up out of the consolidated revenue fund of Canada.

That was our position then; that is our position today. I cannot see how the government or any member on the other side of the house can feel that the farmer is being fairly dealt with when this decontrol is allowed to go on and the farmer's prices are going up with the result that today we have agriculture precipitated into utter chaos. We have assistance given to big businesses in this country to the extent that we have double depreciation; with regard to the excess profits tax, today we are asking the people of this country to pay back the twenty per cent which is refundable. As indicated in the 1947 Canada Year Book, under the chapter on assistance to private investments:

> Special depreciation allowances for tax purposes were granted between November, 1944, and March 31, 1947, for projects completed prior to March 31, 1949. Over this period of approximately two and one-half years, approvals for special depreciation had reached a total in excess of $1,300,000,000. Low interest rates and special credit facilities for industrial expansion, not provided by the commercial banks, were made available through the establishment of the government-sponsored industrial development bank, a subsidiary of the Bank of Canada, in 1944.

I think if we can do these things for big business, it is time we did something similar for agriculture in this country. Today we find that agriculture cannot get cheap credit. On account of the higher cost of farm machinery farmers are finding that replacement is coming so high that they are again being loaded with a terrific debt in western Canada. I have here some figures which indicate what is taking place. These were provided to me through Canadian Co-operative Implements Limited of Regina. As an example, we find that the price of an AR 2-3 plow John Deere tractor after the 12½ per cent increase in 1946, which I feel was completely unjustified, again when the ceiling came off went up from $1,480 to $1,750, or an increase of $270. I have here a survey which was made by the dominion government, or at least was put out by the dominion Department of Agriculture, which indicated the number of tractors which would be needed in various provinces. In my own province for the years 1947 and 1948, the pent-up demand for combines I find to be 18,508. The difference in price of a Massey-Harris self-propelled combine as between 1947 and 1948 amounts to $415.50. This one item in western Canada, if that pent-up demand for combines is supplied, would amount to approximately $7,708,574. So we should look into conditions of living on the farms in western Canada.

I have here figures taken from the United Farmers of Canada information bulletin on Saskatchewan agriculture. I find that in 1945 the net farm income from the sale of farm products per average farm amounted to $2,155, the average of his net from 1940 to 1945 being $1,338. That is for one and a half adult males on a farm. Breaking that down we find that for every male adult on the farm the net income was $892. Surely if these figures are anywhere nearly correct, and even allowing

for disparities and differences with regard to the authenticity of the figures, we can still see that the farmers in western Canada are in a poor condition having regard to income. In view of the record of production of western Canada, I think we are not getting a square deal. I find here, in compiling the estimates, that the farmers of Canada during that same period from 1940 to 1946 inclusive, shipped for export 64,000,000 head of livestock. That number, marching in single file, would reach twice around the world. So it was a magnificent effort on the part of our people. During the same period the farmers produced for export 4,300,000,000 pounds of meat products. This quantity would equal a train one half mile long arriving at seaboard every week day for seven years. In regard to wheat exports during that same period of 1940 to 1946 inclusive, we shipped for export 1,477,175,280 bushels.

Mr. SMITH (Calgary West): Is that for Saskatchewan alone?

Mr. McCULLOUGH (Assiniboia): No, this is the total export of wheat from Canada, taking a preliminary report for 1946. These figures are taken from the reports of the Dominion Bureau of Statistics.

In regard to general conditions on our farms in western Canada, many are still without modern conveniences. According to the figures given in the Agriculture Institute Review, only 16·1 per cent of Canadian farms are served with electricity. The percentage varies from a high of 35 per cent in the province of Ontario to a low of ·21 per cent in Saskatchewan, while Ontario consumes 79·75 per cent of the power used on Canadian farms.

Mr. MacNICOL: What was the figure for Saskatchewan?

Mr. McCULLOUGH (Assiniboia): According to this statement it was ·21 per cent, but I must say we have improved somewhat since then.

The other day, in trying to suggest that the present government has been protecting farm prices in this country, the Minister of Agriculture made a comparison with the price of wheat in the United States, and mentioned the deterioration in the market there. That may be true; but it is also true that during the war the farmers in the United States were receiving higher prices not only for livestock products but for all their grain products. The minister stated that agriculture would be protected from rising costs due to decontrol; yet we find that actually in most cases the farmer is not receiving prices any higher now than were received in the fall, before decontrol took place. I have here receipts showing what I was paid for some of my own cattle the other day, cattle which have been fed on hard grain feed for four months. Owing to the fact that the packers are showing little interest in shipments to Winnipeg, prices still are not much higher than they were last August. I remember that some of my neighbours received 15 cents a pound for steers off the grass at that time. Here I have a receipt for one bull at 11 cents a pound, a cow at 9½ cents and a steer at 14½ cents. I might add for the benefit of the minister that according to the Searle Grain Livestock News of February 3, 1948, the Winnipeg price for medium steers up to 1,050 pounds was $12.50, whereas at St. Paul the price was $23.50, or almost double. I could quote many figures showing that in the United States the prices paid for livestock products are almost twice the prices paid in Canada.

Mr. GARDINER: I might just say to my hon. friend that cattle were sold from my farm prior to Christmas. Cows brought 13¼ and 13 cents in Winnipeg; and that type is higher now. It depends on the kind of cow you sell.

Mr. McCULLOUGH (Assiniboia): Someone says that is some of the bull from the minister's farm. Whether or not that is true I think the minister will agree, if he has been following livestock quotations at Winnipeg, that prices now do not warrant a person feeding livestock. In other words unless a feeder gets two cents a pound after grain-feeding livestock, together with the increase in weight, he cannot make any money on it; and today he is not getting that.

Mr. GARDINER: I will not agree with that, because we got $195 each for our steers before the price went up.

Mr. McCULLOUGH (Assiniboia): Off the grass.

Mr. GARDINER: Not off the grass; they were grain fed.

Mr. McCULLOUGH (Assiniboia): As I have indicated, profits in big business have been allowed to run wild, while at the same time the farmer is still getting the small end of the stick. The other evening I was much interested when the hon. member for Restigouche-Madawaska (Mr. Michaud) rose in his place and showed great concern about the fertilizer situation in his province. On several occasions in this house I have protested the action of the government in selling the three fertilizer plants built in this country during the war. Not once did any other

hon. member, either on the government side or in the official opposition, seem concerned about the price of fertilizer. On every occasion I indicated that I felt sure a monopoly was being built up in Canada by the sale of these plants. I expressed the concern of the Canadian federation of agriculture as shown in letters to the Minister of Agriculture and the then minister of munitions and supply with respect to the sale of these plants. I should like here to quote a few words from the speech of the hon. member for Restigouche-Madawaska, at page 703 of *Hansard* for January 29, 1948, referring to ammonium nitrate:

> The biggest price jump was in connection with this latter ingredient, where the increase was a little more than fifty per cent. On this point I wish to read from the letter of Mr. Walsh who, in referring to ammonium nitrate, said:
>
> "This represents the most violent price advance and in the farmer's eye the least justified. The three Canadian plants were built by Britain to supply nitrate during the war if her own plants were bombed."

Then he goes on to say:

> "Farmers do not believe that the $91 price is justified." That is the present price; it jumped from $60 to $91.

All I can say to the hon. member and those who up to now have not been concerned about this matter is that this indicates the trend of government policy in this country. They sold down the river the people's own plants which were built with the taxpayers' money during the thirties, in order to allow them to get into the hands of monopoly interests in this country. So far as I am concerned there is only one thing for the government to do. My information is that already, in two years of operation, the Welland plant has made enough to pay back the cost of the plant together with $25,000 which was spent on reconstruction. If the government wants to protect the people of this country they should take back that plant immediately and reimburse the company as they may see fit. I am concerned about the situation with respect to fertilizer in this country. Unless we can keep the price at a level which will permit the farmers to use it we are going to continue to deplete our soil. The hon. member for Restigouche-Madawaska referred to potash. In my own province of Saskatchewan we have immense beds of potash, another essential ingredient going into the fertilizer mix. If the federal government would make an appropriation similar to some of the appropriations made for the necessities of war we could develop those beds and not only conserve United States dollars but also conserve our own soil.

I want to conclude by saying this. Recently the new farm income tax forms have been sent out. I have some of them here; I tried to get from the minister's office every type that has gone out to Canadian farmers. Looking through them all I find that only the farmer, so far as I am aware, has to fill out an income tax return which in my opinion is not only discriminatory but also insulting. I know a good many farmers; I am one myself, and I think the average farmer is a fair person. He does not like to pay taxes any more than any other person, perhaps, but on the whole he will do what is fair. But when we ask the farmers as a class to fill out this farmer's net worth statement, I think it is insulting. It says, under current assets, "Cash on person or on farm". I do not think it is fair or even reasonable to expect farmers to fill out any such income tax form. If the farmer fills out an income tax form such as that of last year, showing gross income and gross assets, and then his expenditures and net income, he is giving the government all the information they should have, and if he does not fill that out he can be prosecuted under the present act. This is a miserable sort of thing.

If we want to find out where the money is in this country, I think there is one policy we can follow. The government can call in the money of all denominations over five dollars. It can say that three months hence every person having money in denominations over five dollars shall come and exchange it in our banks for new currency, and then we shall find out where the money is. That, I say in conclusion, is what the action of the government should be if they do not feel that the farmer is being just.

Mr. E. D. FULTON (Kamloops): It is now nearly three months since the address in reply to the speech from the throne was first moved in this house, and the aspect which I wish to discuss this afternoon for a few minutes is not the address itself but the amendment to it that we are debating, because that amendment is, in effect, a vote of want of confidence in the government. It is, therefore, important to go over the speech from the throne, which we are now considering, and find out why it is that we of the official opposition consider that the program there set forth, coupled with the government's past record, is not such as to command the confidence of the house.

When one analyses the speech from the throne he finds that it is almost a completely negative quantity in so far as suggesting constructive steps for the future development of Canada is concerned. I read it over care-

fully only yesterday, and again today, before speaking, and I was able to find in it only two paragraphs which contain the outline of a program of a positive nature.

I should like to go over it paragraph by paragraph, to have a look at it, in order to see how much we can find in it that will be helpful to the future of Canada, where there is an indication of any positive program to build up the country, any indication that we have faith in the future of Canada as a great country, as having a future which we can bring about, not by accident, not merely by letting events take care of themselves, but by a positive series of steps taken in our lifetime, the results of which we shall be able to see.

Looking over the speech from the throne with that in mind, what do we find? In the first paragraph it refers to conditions throughout the world. They "continue to be difficult and disturbing". That is informative but not very constructive. We are told that Canada was recently represented at a meeting in Australia to discuss peace with Japan. There is another paragraph with regard to the united nations, and the fourth paragraph tells us of the unsettled conditions that still prevail in Europe and Asia; again a fact which, while informative, is not very constructive.

The next paragraph contains the first suggestion of a constructive nature. That paragraph refers to the Geneva trade agreements and is, I think, one example of a positive forward-looking step. Whether or not one agrees with it entirely, it certainly can be said to be an effort looking toward the expansion of our trade, and therefore something that will contribute in a positive sense to the building up of Canada.

Then we have a reference to the exchange conservation measure, and next to the shortage of United States dollars. The next paragraph tells us that the government has progressively removed controls made necessary by the war and has done so in a "gradual and orderly manner", which not only is not very constructive, but is even highly controversial.

Then we have a reference to the United Kingdom food agreements. The only other reference to a constructive proposal in the speech from the throne is the next paragraph, which says that we shall be asked to consider plans for a low-rental housing project for veterans.

Then we have a reference to the so-called national labour code, which, while very important, is a matter which will only adjust an existing situation. It will not contribute to positive material development in the future of a constructive nature.

[Mr. Fulton.]

Then we have a reference to demobilization, which was concluded in September, and some references to agriculture and fisheries legislation, dealing partly with efforts to bring about more orderly marketing and so on, but no reference to the positive building up of those industries.

So we have only two references to any constructive program. There is nothing which indicates that the government has confidence that by a program which it initiates it can contribute to the building up of this country, and that it intends to do so. It is largely for that reason; it is for what we do not find in the speech from the throne, that we feel that the program of the government and the government itself do not command the confidence of the house or the country.

There are specific reasons which can be put forward in support of a motion of want of confidence. One of the first is the sorry condition of the veterans. There is certainly no one in the country who has less cause to have confidence in the government than the veterans of both great wars. The setting up of the veterans affairs committee will give us an opportunity for a general discussion of veterans affairs, and the bill before the house providing for limited increase in pensions will afford an opportunity to discuss that particular matter. Therefore at this moment I am not going to go into any detail with respect to that subject, but before I leave it I want to say that the latest increases, in fact the total increases in pensions announced are to most of us, if not to all of us, a matter of very grave disappointment; and I think that for the veterans themselves they constitute a very serious, a very real cause of frustration.

I am not surprised that the Prime Minister (Mr. Mackenzie King), in announcing the last series of increases in pensions, carefully refrained from giving the house the figures at the time he was reading his statement. It will be remembered that the first time, before Christmas, he gave the figures as well as the statement; but after Christmas there was simply a statement read and the figures were tabled, appearing in *Hansard* the next day, so that there was no immediate opportunity to debate or comment on those figures. It is not surprising, I say, that he did not give out the figures and so give us an opportunity to question him and to point out that there was nothing but a little bait dangled before the veterans, affording the government an opportunity to say, "We are giving you some increases"; for when it is analysed you will find that, while it is true that the pension is increased by a dollar or two dollars a month, it is no

real assistance to the veterans in solving the problem of meeting the increased cost of living.

From that point of view the speech from the throne, and the program we have since seen so far as veterans are concerned give us cause for nothing but lack of confidence in this government. Casting around for a simile or a description which one might apply to the speech from the throne and the lack of program which it revealed, one is left without adequate words. It has all the interest; it has all the enthusiasm; it has all the rousing qualities of last week's washing, and it is just about as limp. It reveals the government as being without a policy.

Another great lack in the speech from the throne is its complete ignoring of all questions of foreign affairs, its failure to reveal Canadian foreign policy. In view of what is happening in Europe today I think that lack should be immediately remedied. There should be without delay a statement from the minister outlining Canada's foreign policy with particular reference to current events in Europe.

We have seen events taking place step by step which are almost an exact parallel—I do not wish to use words which are incautious or unwise, but I think these are accurate—an exact parallel of what took place from 1935 to 1939. So far, Canada appears to have accepted the steps which have been taken. Other countries have issued strong statements which leave the world in no doubt as to what their policy is, in no doubt as to whether or not they accept the steps which have been taken, but as yet no such statement has been issued on the part of this country.

This afternoon the Secretary of State for External Affairs (Mr. St. Laurent) read a letter from the ambassador of Czechoslovakia to Canada announcing his resignation. That can surely be taken as a protest on the part of that gentleman against the events which have recently taken place in his country. That proper and courageous gesture cannot but have the admiration of all Canadians. I think all Canadians would be only too happy to see a similar courageous and proper move on the part of Canada in the way of a statement on foreign policy and on that particular matter.

In addition to what has taken place in Europe, there are other events which have taken place in South and Central America, in the Falkland islands and British Honduras. We cannot afford to ignore developments in the world today. We are frequently told that middle and lesser countries look to Canada for guidance and leadership. Whether they do or not, and I think it is probably true that they do, it seems to me that Canada must take a position with respect to what is going on. Canada cannot expect to have a position in world affairs unless she takes a stand and makes that stand known.

In passing, I should like to say that I wish to echo what was said last night by the hon. member for Grey North (Mr. Case), that it is a great pity that we withdrew our occupation troops from Europe and thus lost that windowpane through which we might keep an eye on events in central Europe. By doing that we lost the opportunity of having a number of Canadians over there who could see for themselves what was going on in Europe, which would have been a tremendous help to our people in assessing and understanding what is actually taking place and in evaluating and working out a policy which might help to deal with events over there.

We remember what happened in the years before 1939 when step by step events occurred which led inevitably to war. It has been said by many qualified to know, that one of the contributing factors to the war was the uncertainty on the part of nations generally as to what would be the attitude of other nations, particularly the nations of the British commonwealth, and the middle powers. It seems to me that those events prove the necessity of having a statement now on foreign policy while we still have an opportunity to make it. I repeat my request that such a statement be made without delay.

I have indicated some of the reasons why I feel the speech from the throne contains in it nothing of any force and, therefore, why I support the motion of want of confidence which has been moved. However, in addition I should like to outline two steps of a constructive nature which I think should be taken and which would assist in building up this country in a positive way. One is the construction of a trans-Canada highway, and the other is the extension to the rest of Canada, particularly to British Columbia, of the provisions of the Prairie Farm Rehabilitation Act.

I have a resolution on the order paper advocating the construction of the trans-Canada highway and therefore I will not devote a great deal of time to that subject this afternoon, but the history of past sessions has shown that it is doubtful whether we shall have an opportunity of discussing private members' resolutions, and since I have waited for two years for an opportunity to discuss

this matter, I should like to say just a word about it now.

The ACTING SPEAKER (Mr. Golding): The hon. member is not at liberty to discuss a resolution on the order paper. If he wants to discuss the situation generally, he may do so, but he would not be in order to refer to the resolution.

Mr. FULTON: I thank you, sir, for your guidance. I shall not refer to the resolution itself, but I think I am at liberty to discuss the general situation. I first brought this matter up in 1946 in an effort to discuss it while the estimates of the Department of Transport were being considered. My suggestion at that time was that we should have a trans-Canada highway policy and that the administration of that policy should be under the Minister of Transport. That is why I sought to discuss it at that time, but it was ruled that such a discussion would be out of order because there was no item in the estimates of that department which had to do with highways. Accordingly, at the beginning of the 1947 session I placed a resolution on the order paper advocating that the dominion government should develop a trans-Canada highway policy and should immediately enter into negotiations with the provinces for the construction and maintenance of trans-Canada roads. It will be remembered that at that last session it was announced that, owing to the pressure of government business, no opportunity could be given for the discussion of private members' resolutions. Therefore I renewed my resolution and it stands in the same form on the order paper of this session.

There is across this country a great and growing body of opinion which supports the idea that there should be a trans-Canada highway system and that the dominion government should make a contribution to the construction of that road or roads. This is of particular interest to my constituency and to all of British Columbia, because highway construction there is more difficult and, therefore, more expensive than in most other provinces. I should like to read one resolution I have received, because I think it outlines the situation very neatly and suggests a proper solution. It is a resolution from the Central North Thompson board of trade, at Clearwater Station, British Columbia, and has been sent to the Prime Minister (Mr. Mackenzie King), the Minister of Mines and Resources (Mr. Glen), as well as to the Premier of British Columbia, myself and the provincial member for Kamloops. It reads as follows:

> This board of trade wishes to draw your attention to the many requests from all parts of Canada, looking to the completion of a trans-Canada highway, and urges upon the governments of both the dominion of Canada and the province of British Columbia, to take steps to further the formation of a highway commission that would have the power to carry to completion the construction of a trans-Canada highway, which is such an urgent necessity to our country.
>
> And we urge that such a commission should adequately survey the various routes available, and at once bring up to standard, the route judged best to serve the people of Canada with an all-Canadian highway.
>
> We believe, sir, that only by co-operative action between the dominion and provincial governments can a highway be built adequate to the needs of the country, and we ask your earnest consideration of these apparent needs.

The letter is signed by the secretary of the Central North Thompson board of trade. I know that many members have received similar resolutions, and since the matter is of particular importance to my province and that part of the country in which I live, I have had many similar resolutions—from the Revelstoke board of trade, the Salmon Arm board of trade, the Blue River board of trade and the Kamloops board of trade, to mention only a few—along the same general lines. One should not overlook, in discussing this matter, the work done by the Calgary board of trade, which I believe was the first board to start a dominion-wide campaign some two or three years ago for a trans-Canada highway.

The position is complicated by what I might call a certain amount of competition as between various routes which have been suggested. I should like to mention and at the same time to pay tribute to those who are now advocating what is known as the Yellowhead route for the trans-Canada highway. They have sent to members of parliament a pamphlet outlining the advantages of that route and supporting, in general outline, federal aid in the construction of a trans-Canada highway. At this point I should like to read a resolution on this subject contained in the policy declarations of the Canadian Chamber of Commerce. I am reading from the policy declarations of the seventeenth annual meeting held at Winnipeg in 1946. I believe that a similar resolution is contained in the policy declarations of 1947, which I have not now at hand. But in 1946 the Canadian Chamber of Commerce passed the following resolution, headed, "A National Highway Program":

> Be it resolved that the Canadian Chamber of Commerce recommends that the dominion government immediately negotiate with the provincial governments on a mutually acceptable basis for the development of a national transcontinental highway construction and maintenance program.

And be it further resolved that such a national transcontinental highway program provide for the maintenance and extension of the Alaska highway.

I read that particular resolution because, like the one from the Clearwater board of trade, it puts the matter in its proper light and avoids conflict between various groups. What it is concerned with is to obtain acceptance of the general principle that there should be a federal trans-Canada highway program and that a scheme of federal aid should be worked out with the provinces on a mutual basis for the construction and maintenance of such a road. Once that principle is accepted, it will be a matter for the dominion and provincial experts to decide what route or routes should be adopted; but, until we have accepted the general principle, I suggest that to enter into such details would only delay the issue and perhaps involve us in a discussion of matters we are not qualified to determine. It may well be found, once the principle is accepted and a survey is made, that there should be more than one route. I am going to suggest in a moment that there are good reasons why there should be more than one trans-Canada highway, but I think the discussion should be confined at the moment to the acceptance of the principle of federal aid in the construction and maintenance of trans-Canada roads.

It is interesting to observe that the Canadian House of Commons in 1912 and again in 1913 gave its approval by a recorded vote to the principle of federal aid in the construction of a trans-Canada road. The government of Sir Robert Borden in 1912, through the then minister of transport, introduced a bill to provide for future aid to the provinces in the construction of a main trans-Canada road. The bill passed the house, all parties accepting the principle on the second reading without a division, but the bill was defeated in the Senate. The then minister of transport reintroduced the bill in 1913 and it met exactly the same fate, being defeated again in the Senate. It will be remembered that at that time the government of Sir Robert Borden had been in office for only a year or two and that in the other chamber there was a majority of a political persuasion opposite to that of the government, which may or may not have had something to do with the defeat of the bill. At least these two facts went side by side; and the bill passed the house but was defeated in the Senate. The important point to remember is that the House of Commons in two successive sessions accepted the principle of federal aid to the provinces in highway construction, and if the principle was acceptable and such aid was felt to be necessary then, surely it is equally acceptable but far more necessary now, when highways are much more important to the maintenance of our economy than they were before.

Another precedent which might be urged in support of the idea is the practice in the United States, where the federal government makes a 50 per cent contribution to the state governments for the construction and maintenance of federal highways.

Some of the concrete reasons why there should be such a national transcontinental road and a dominion highway policy are, first, for purposes of defence. After all, if there is a next war, should a next war come, if it takes the form often ascribed to it of heavy aerial attacks our railways will be vulnerable, and it seems to me that we should have an alternative trans-Canada route, a first-class highway or possibly two or more as our population warrants. Second, it would be an additional encouragement to tourist traffic. Third, because of the important contribution made to our economy and to the maintenance of our trade and commerce by the trucking industry. An adequate first-class trans-Canada route is required for that purpose. Fourth, to enable our population to move more freely about the country. In this connection I wish to make this point, that if the federal government would assist in the construction of main trans-Canada roads the provinces would be able to bring the secondary roads, the north and south roads, up to adequate standards, which in turn would assist in the development of the back country much more rapidly by enabling our population to move in and develop it. Canada's history has been that of population following the lines of communication. The railways have made a tremendous contribution to our development. I think it is fair to say that without them we would not have had the development we have in Canada today. But you cannot build a railway to every nook and cranny in Canada.

If the federal government would assume a portion of the responsibility of constructing and maintaining main roads the provinces could go ahead with their proper share of responsibility, which is the development of the back areas, enabling the country to be opened up and a great constructive development to take place.

I should like to refer again to the particular position of British Columbia which, as I said, is mountainous and sparsely populated. We find it very difficult and expensive per head of present population per mile of highway construction. And it can easily be seen that federal assistance in such a matter would be of tremendous benefit to our province.

The other matter of a constructive nature that I wanted to mention this afternoon is the extension to the rest of Canada, and particularly again, from our point of view, to British Columbia, of the Prairie Farm Rehabilitation Act. In passing, I should like to observe I realize it may be charged, as it has been in the past, that members of the opposition, myself included, are constantly criticizing the government for extravagance, saying you should economize, and then coming forward with suggestions which will involve further expenditures. The point I make in reference to that is that we do advocate economy. We advocate economy where there is improper extravagance. It is easy enough to mention some of the cases: government publicity, overcrowding of the civil service, unnecessary appointments where they exist, and so on. We have never advocated the curtailment of proper development of our resources by what would amount to false economy. We advocate proper expenditure, compensated for by proper economy. It certainly could not be charged that these expenditures are inflationary, because, unlike normal government expenditures, these would be productive, and I have never heard it said that anything which contributes to the wealth of the country in a real sense is inflationary.

In speaking thus, and asking the government to extend to British Columbia the provisions of the Prairie Farm Rehabilitation Act, I should like to renew the plea that I made approximately a year ago in the house along the same lines. Speaking here on March 6, 1947, I outlined the principles which I felt could be usefully followed in extending the act to British Columbia. The first of these principles was that it should be viewed as a long-term project and financed possibly by issuing bonds which are redeemable in series over a period of years, perhaps up to fifty years, so that you do not saddle the land or the country in one year or in a few years with the cost of this development.

Second, it should be regarded as an integrated project; that is, any construction done under the P.F.R.A. should be worked into an integrated project along the lines of the projects in the United States, which have to do with both irrigation and the development of power. Here again, Mr. Speaker, I should like to say this. Some people say that we are advocating tremendous expenditures before the population of the country warrants it. May I point out that surely the history of Canada shows that where we have been bold and courageous and built railways and made capital expenditures in advance of population, population has rapidly followed and taken advantage of the resources which have been provided for it. I want to say this: to my mind all these matters involve and are made feasible only by a courageous appreciation of the necessity of Canada having a larger population, and the taking of steps to provide it.

I said that we criticized the speech from the throne because we feel it does not contain anything constructive. We believe that Canada can be built into a great country in our own time, and these are some of the steps which we should like to see taken to bring about that result. We are not building just for ourselves. We suggest that we build for a great nation in the future as well, for our children and our children's children, and to make it possible also for more people to come to this country, to make it possible for us to absorb them and provide them with the opportunities for useful production.

In the same way that population formerly followed rails, they will now follow roads, but to an even greater extent I think they will follow power. Industry will follow power. In British Columbia we have a tremendous power potential as well as lands available for irrigation, so that our province particularly is lying there waiting for something like an integrated project which may be brought about under the Prairie Farm Rehabilitation Act.

The history of the matter, in so far as extension of the act to British Columbia is concerned, is a little disappointing. In 1946 it was indicated that legislation would be introduced at the next session, that is, in 1947, to extend the act to British Columbia. In 1947 we kept pressing the minister. He indicated that he hoped to be able to bring down proper legislation. On May 22, however, he made a statement which definitely precluded that possibility. On May 22 the Minister of Agriculture (Mr. Gardiner) said that the dominion government would be willto enter into negotiation or consultation with the provinces on individual projects which they might bring forward, but that there would be no general legislation extending the act to British Columbia. Why that should be I am unable to understand. I obtained the most recent report of the administration of the Prairie Farm Rehabilitation Act for the fiscal year ended March 31, 1947. On page 1 of the report I find an outline of the principles of development as laid down by the administration of the act. It reads as follows:

Water development—A program designed to effect the conservation of the limited water resources of the prairies for farm domestic stock-watering and irrigation purposes. Ad-

visory engineering and financial assistance for prairie farmers and rural communities in the construction of dugouts, dams and irrigation works.

It seems to me that these principles are as fully applicable to interior British Columbia as they are to the prairie projects.

When dealing with the expenditures so far made under the Prairie Farm Rehabilitation Act, one finds that to date in Manitoba there has been spent $135,134.36; in Saskatchewan, $3,893,815.94; in Alberta, $786,890.98, or a total of $4,815,841.68 in the prairie provinces. In the same period there has been spent in British Columbia $58,298.04. That has been spent on a project at Pemberton Meadows, where the engineers of the Prairie Farm Rehabilitation Act are assisting the local community in reclaiming land where it has been flooded, and enabling it to be brought under cultivation again. For that assistance the people of the interior, and I think it would be correct to say the people of the whole province, are grateful, but we still hope for and we still ask for the extension of the principles and the enabling legislation of the Prairie Farm Rehabilitation Act to the province as a whole.

There are other local schemes in which the prairie farm rehabilitation administration are assisting, in conjunction with the Department of Veterans Affairs, in putting small local irrigation projects into operation to enable land to be irrigated which has been taken up under the Veterans Land Act. There are two such projects in the immediate vicinity of Kamloops, and I think two others in the Okanagan valley, but these are very small projects in comparison with the total area available for irrigation.

It is estimated that in the interior of British Columbia there are nearly 100,000 acres available for irrigation in the Thompson and Okanagan valleys alone; in the vicinity of Salmon Arm, Kamloops, Ashcroft, at Lillooet on the Fraser river and at points in the Okanagan. These lands are now available; they are waiting for irrigation. They have also other resources which, if power could be brought in at the same time, would enable the agricultural population and the agricultural industries to be complemented and balanced by the development of light secondary manufacturing industries. After all, we do not want to see, and I do not think the house or the country as a whole wants to see, our emphasis laid exclusively on further development of the agricultural population. It seems to me that what we want is a balanced economy so that, whereas at the moment we are almost entirely dependent on export markets for our produce, we could, if we had greater industrial development out west, support a greater industrial population. Thus we could consume at home more of the food we produce, and at the same time use on our farms more machinery produced at home; or to put it the other way, produce at home more mechanical equipment for use in agriculture, as well as food, clothing, et cetera, for our increased population. In this way we would be a little less vulnerable to world depressions. I am not suggesting that we should isolate ourselves or close ourselves off, but I suggest that at the moment we are perhaps the most vulnerable nation in the world to a worldwide depression. If we would balance our economy a little bit better, we would be a little less vulnerable.

Our province, together with so many other areas throughout the west, is literally crying for irrigation and power development, which would enable us to put our agriculture on a stable, sure foundation and at the same time to build up the secondary industries and balance off the increased agricultural production. So I hope that the Minister of Agriculture this year will enable us to extend the P.F.R.A. to British Columbia.

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): In the first place, Mr. Speaker, I desire to congratulate warmly the mover (Mr. Dion) and the seconder (Mr. Dickey) of the address. I am the more delighted to do so because the mover was born in my constituency; every one of my constituents is following his career with great interest, and we wish him success. The seconder comes from the great city of Halifax, and he also did very well when he seconded the motion.

I have been a member of parliament for a great number of years, and I never before witnessed anything like what happened last night when two members from British Columbia, who do not understand a word of French, tried to howl down the hon. member for St. Maurice-Lafleche (Mr. Hamel) who was speaking in French. As a Liberal, I am not accustomed to those tactics. If that obstruction had come from fascists or communists, I would have said to myself, "Well, this is the natural course. They follow their principles. They are against freedom of speech." But the cornerstone of Liberalism is freedom of speech, and the speech of any member cannot be offensive to anyone who cannot understand the language in which it is uttered. Therefore I could not understand why there was such objection to the speech by the hon. gentleman. I protest against those tactics. As a Liberal, I cannot conceive how anyone who

calls himself a Liberal should try to howl down anyone who thinks differently. I do not say that because the hon. member for St. Maurice-Lafleche is one of the two members who compose his group. I have no particular interest in them. But he is a well-read member and a man of culture. He does not speak often in the house and it seems to me that, instead of anyone discouraging him from speaking, he should be encouraged to do so oftener, even by those who do not share his views.

With regard to freedom of speech, my main contention is that any hon. member should be given an opportunity to say all he has to say, within the rules, provided that those who answer him are given the same opportunity. There are 245 of us in the house, and naturally we cannot expect that all members should think alike. That is a complete impossibility. Besides that, I do not know that what happened last night would have been tolerated anywhere else, and Mr. Speaker did very well in stopping that performance.

But there is a thing we call retributive justice. There is the retaliation that fate brings to those who employ those tactics outside the house. Although I myself have never retaliated, I well remember the tactics of the Bloc Populaire in the province of Quebec. They tried to break up meetings, a procedure to which I have been a witness on many occasions. I well recall an incident that occurred at Shawinigan Falls, the place where the hon. member for St. Maurice-Lafleche lived. I went there with two of my colleagues, the hon. member for Levis (Mr. Bourget) and the hon. member for Quebec West and South (Mr. Parent). We went there to hold a meeting. Naturally some of the key men of the Bloc Populaire were there, and they tried to break up our meeting. It took me half an hour of physical exertion to change the trend of the meeting. In the first place, they were jeering at the Liberal candidate, and there was such a tumult at a certain moment that I had to cover the microphone with my hand to speak to the crowd that was outside the hall. Those who were within the hall went outside to hear me speak through the loudspeaker. In the end, those outside were convinced that the speech was orthodox, and they got into the hall. And those very people who jeered at the Liberal candidate came to the stand to shake hands with him and congratulate him. They gave him an ovation. My friends, the hon. member for Levis and the hon. member for Quebec West and South, were witnesses of that incident which happened in the constituency of the hon. member for St. Maurice-Lafleche.

[Mr. Pouliot.]

I remember other instances in which the Bloc Populaire did not want those who did not share their views to express themselves. Those are not Liberal tactics. If the hon. member for St. Maurice-Lafleche had some difficulty yesterday, it was precisely on account of retributive justice. He reminded me of Louis XVI who had to pay for the guilt of Louis XV. That is an old story. But I repeat that whoever tries to prevent a member from saying in this house what he has to say on behalf of his electors is not a Liberal and cannot claim to be a Liberal. I know that, with due afterthought, those who were guilty of that breach of the rules of the house will realize the significance of what they did last night, and will regret it. I do not say that in my own behalf, because I can handle my case alone. But I want to see a certain amount of dignity in this house, and I want the true principles of democracy maintained. How can anyone dare to speak of democracy when he prevents the other fellow from saying what he has to say? That sort of thing cannot go on in this house. Mr. Speaker stopped it, and I admired the way he performed his duty.

Well, that is for the Bloc Populaire, but there is something else about which we must be very careful, and that is the undermining of our democratic institutions by those who are not numerous enough to break up our meetings, and who seldom bring in outsiders to do so, but who every week or every other week write articles that tend to destroy the pillars of democracy in this country. They represent parliament as a wrong institution, as an institution full of dirt, as a place where no one is doing anything useful. Those men do not realize that they are committing hara-kiri; that they are destroying their own faith, destroying the confidence the people may have in themselves as well as in members of parliament. Very often I disagree with my colleagues. Why should I be a yes man? Why should I be a rubber stamp in this house? I have my own views to express, but I believe everyone else has the right to express his views and try to convince the majority.

Mr. MacNICOL: You are one man who is not a rubber stamp.

Mr. POULIOT: Thank you very much, sir; you are not, either. You are a great man and so is your deskmate, the hon. member for Broadview (Mr. Church). So are all my colleagues, including the hon. member for Fraser Valley (Mr. Cruickshank) when he wants to be. It is pitiful that these things happen. I understand that there is a certain division among those who belong to the various denominations of the Social Credit

fold. It is their right. I hear there are the Douglasites and the Manningites, and I do not know the difference. I am told it is their philosophy that is different. That is their business.

Mr. LOW: We get good objective lessons from the Liberals.

Mr. POULIOT: Not in the Social Credit philosophy.

Mr. LOW: You have "Little Chicago" and the other divisions.

Mr. POULIOT: My hon. friend surely agrees with what I said a moment ago about the Bloc Populaire?

Mr. LOW: Yes.

Mr. POULIOT: And probably the Bloc Populaire will agree with what I am saying now about the Social Credit party. However, I am not interested in the discussion between the Douglasites and the Manningites, because it is within the boundaries of the province of Alberta and they may settle their differences themselves. But I am interested in what happens in the province of Quebec with respect to l'union des electeurs.

Mr. CAOUETTE: A nice organization.

Mr. POULIOT: When that statement is made by the only member of this house belonging to it I remind him of the old proverb: "Vanté par soi-même ou bien par sa mère, cela ne vaut pas grand chose."

Mr. GAUTHIER (Portneuf): Avalez cela en passant.

Mr. POULIOT: The hon. member for Pontiac (Mr. Caouette) should be more modest. He should commence all his speeches with the invocation, "O Lord, I am only ash and dust." Then his speeches would be much more powerful. I do not want him to do any more than that. Moreover I would not ask him to say it aloud; he may say it only to himself. If he says that, and understands what he says, it will be very profitable to him.

Mr. CAOUETTE: Is that what you have been doing?

Mr. POULIOT: Yes. I fully realize that I am only ash and dust, and I do not attach more importance than I should to what I have to say. But after long years in parliament I believe I have the right to express my appreciation of the various groups in the house. I appreciate my friendship with those who belong to so many different parties, but I do not agree with the political philosophy of some groups, nor do I agree with the practices in which they indulge in order to try to get importance and ultimate power, which is far away. But I will tell the leader of the Social Credit group in the house, for whom I have great respect, and the ex-leader, for whom also I have great respect, that there is no reason for them to allow continuation of the publication of libels on parliament by a newspaper that calls itself the organ of l'union des electeurs. I do not know the personal relations of the hon. member for Pontiac with the leader and other members of the Social Credit group. It is none of my business; I am not interested in that. What interests me is the effect of what they are doing. It will not hurt me. In my constituency that paper is not taken seriously; but their aim is to slur parliament, to slur our national institutions and to destroy democratic government in this country.

Mr. CAOUETTE: No, no.

Mr. POULIOT: My hon. friend may interrupt me. When he spoke I did not interrupt him, but next time I shall do so.

Mr. CAOUETTE: I don't care.

Mr. POULIOT: I know my hon. friend does not care, because he is so full of himself he thinks he is the depositary of revealed truth. Not only that, but he thinks he is the only depositary of revealed truth throughout the world.

Mr. CAOUETTE: Oh, no.

Mr. POULIOT: Perhaps more than that; perhaps on the planet Mars, too.

Mr. CAOUETTE: And on the moon.

Mr. POULIOT: Yes, my hon. friend is on the moon. Here we have an example, Mr. Speaker, of the sort of joint meetings that might be held with these gentlemen in the province of Quebec. Is it serious? Is there anything in it? There was nothing in my discussion with the hon. gentleman. It was just superficial, just jokes and jeers and boasting on his part. Do you think that is the way to educate the people of Canada? I should like to see the hon. gentleman go to Edmonton, the capital city of Alberta, and address the legislature, making the kind of speech he delivers in this House of Commons. He would receive the treatment that was given by two hon. members yesterday to the hon. member for St. Maurice-Lafleche; he would be unable to proceed. And I can say to my hon. friend—who, as I have already told him, is worthy of credit, and I meant it—that he can serve this country and can be useful to it by adopting other tactics to try to convince the people that he is right. I do not believe in brass bands, which strike the ear but seldom

appeal to the intelligence. I am not impressed by them. I am not impressed by noise, nor am I impressed by threats.

Mr. CAOUETTE: Neither am I.

Mr. POULIOT: I will ask my hon. friend to keep silent. I am not going to argue with him further. If he has anything to say he may say it later. But I may tell him that what is being published in the organ of l'union des electeurs is exactly what is being said by the Bloc Populaire at its regular meetings. They try to undermine the faith of the Canadian people in our democratic institutions, and the whole matter should be brought before the country. They should be told they are wrong in using those tactics. If their policies are so good, they should take other methods to try to make them acceptable to the minds of honest and intelligent Canadians.

Mr. KUHL: Give us an example of what you are talking about.

Some hon. MEMBERS: Oh, oh.

Mr. DEPUTY SPEAKER: The hon. member for Temiscouata has the floor and I would ask hon. members not to interrupt him.

Mr. POULIOT: I cannot thank the Chair, but I can offer you, Mr. Speaker, my appreciation of your fairness. But this is an example of what happened. At joint meetings in the province of Quebec, when the Social Credit candidates dare not show up, as a rule they disappear; they vanish. We have to run after them to try to meet them in discussion. But when they are there they interrupt, they heckle, they make a noise and they think they convince the people that their organization is the best one, the one that we should have in this country.

Without discussing this matter further, I desire to draw your attention, Mr. Speaker, to the fact that what we are discussing now is the subamendment moved by the leader of the Social Credit group.

Mr. LOW: No, the C.C.F.

Mr. POULIOT: The C.C.F. group; pardon me. It reads:

> This house regrets that Your Excellency's advisers have failed to use the powers provided by parliament to control prices, and by their actions have caused alarming increases in the cost of living and a dangerous lowering of the living standards of the Canadian people.

This at least is frank. It is a true definition of the socialist policy. Controls are essentially socialistic, and the idea of hon. gentlemen is to enforce their policies over this country. How? Through boards? In the civil service there are many people who are helpful, who are well qualified, who are ready to help so long as we deal with them individually; but as soon as they sit on boards they become different people. The decision of the board is not a decision of the minister or of the deputy minister. It is an anonymous decision, a decision which is made by a body that is irresponsible, that very often is not obliged to render an account to parliament; and the lust for power seems to be so great in the minds of some of these people that they take a sadistic pleasure in refusing all reasonable requests that are made to them.

I am against boards because they are irresponsible, because they are not responsible to parliament. In Germany, a long time before Hitler, in 1930 and 1931, there were boards that were organized to look after public business. Such boards are a very dangerous thing, and there should be no more.

But think, sir, of the number of boards that have been established during the war and since the end of the war. They are countless. They are men who sit on one or two or three boards and make decisions, and they have to make hasty decisions. They do not have time to consider any matter on its merits, and very often they have to rely on decisions that are made by subalterns and minor clerks and others who make the decisions which are the rulings that all interested parties have to accept.

I do not see that such a practice can be good. I will appeal to all old Liberals who are now in the ranks of the C.C.F. group. I have sympathy for them. They deserve every kind of sympathy because they must be miserable.

Mr. THATCHER: Why?

Mr. POULIOT: Because they are not free.

Mr. THATCHER: Why?

Mr. POULIOT: The hon. gentleman should be the last one to ask me why. The only thing I have to tell him is to use his memory, to remember what happened some time ago when he was denied his right to safeguard his own individuality and express his personal views about a certain matter. I believe we should be free. I have the highest regard for the hon. member for Moose Jaw (Mr. Thatcher). He is gifted, and he belongs to a Liberal family.

Mr. THATCHER: That was not my fault.

Mr. POULIOT: I have regard for the hon. gentleman not only because he belongs to a Liberal family, but much more so because he was born a Liberal and cannot be otherwise. Therefore he must be very miserable. This is the fault of the wrong sociology of the C.C.F. group. Socialism is despotism.

An hon. MEMBER: Oh, no.

Mr. POULIOT: Nothing else. Socialism tries to force opinions upon the people, to tell them that the brain-trusters, the men with long hair and horn-rimmed spectacles are the geniuses who will lead the people into the promised land. I hope they will never come to power because their ideology is wrong, because it is not in conformity with the natural inclination and aspiration of the people for freedom in a democratic country.

Mr. CAMPBELL: I hope you live another ten years. You will see something different.

Mr. POULIOT: My hon. friend is a good Scotsman and I will tell him that the Scots are Liberal. He must be a Liberal himself and he must be miserable himself. I will ask him another question. If he enjoys being miserable himself, why should he think of imposing his misery on others?

Mr. MACDONNELL (Muskoka-Ontario): Will the hon. gentleman permit a question? He has just made a far-reaching statement about the Scottish race. I wonder if he would mind giving us something in support of the assertion that they are predominantly Liberal.

Mr. POULIOT: Being a Scot, the hon. member for Muskoka-Ontario is also Liberal. The trouble with him is that he ignores it.

Mr. KNOWLES: He knows there is no difference between Liberals and Tories.

Mr. POULIOT: There is another thing too. He does not give us any opportunity to realize that he is a Liberal at heart. I am serious when I say that. I will tell the hon. gentleman and his leader that when they defend liberty and freedom of speech, then they are acting as Liberals. They may call themselves communists, Progressive Conservatives or Conservatives, but they will be Liberals at heart because they are defending a principle which is the cornerstone of Liberalism established in a democratic country. The hon. member for Muskoka-Ontario has asked me a question and he has reminded me of the existence of the Progressive Conservative party which I had forgotten about completely.

All the discussion that has occurred during the debate on the address has been interesting. Every speech has been a good one. However, some of the discussion has been entirely irrelevant. To be precise, I mean what has been said about Hong Kong. Before I close, I want to refer to my notes in order to tell the house what was said about this matter a long time ago. On January 22, 1942, I corrected the official report as follows:

Mr. Jean-Francois Pouliot (Temiscouata): Mr. Speaker, on a question of privilege, and referring to page 4837 of *Hansard* of last session, the *Hansard* of yesterday, I am quoted there as follows:

"Mr. Pouliot: The minister should resign because of that fact." What I said was:

"The Minister of National Defence should resign on account of the Hong Kong affair."

The record is not complete because immediately after I had said that, the leader of the opposition (Mr. Hanson) shouted "Order" to prevent my saying anything further. That was, as always, a complete contradiction; he does not know what he wants.

I have before me a copy of the Conservative Toronto *Telegram* of January 23, 1942, the following day. I should like to quote from an editorial entitled, "Opposition forces the door to open inquiry into incompetence." The editorial reads:

It is not often that it is possible to agree with J. F. Pouliot, M.P., the effervescent member for Temiscouata, yet in his statement that the Minister of Defence should resign over the Hong Kong affair—a statement that was drowned by cries of "Order"—he appears to have been the only member of parliament who recognized the gravity of the situation revealed by the admissions of Honourable J. L. Ralston.

Then an advertisement appeared in the press asking young men to enlist in the Royal Rifles of Canada. This advertisement was silly because it was entitled, "Remember Hong Kong." The following appeared in the *News* of June 27, 1942, having been written by Judith Robinson:

. On February 5, Jean Francois Pouliot objected to a new recruiting poster which, beginning with the words: "Remember Hong Kong," announced that the Royal Rifles of Canada would be reconstituted 100 per cent. Mr. Pouliot considered it would be better that Canadian soldiers and sailors should forget Hong Kong, though the rest of us might remember it all our lives.

The advertisement was then changed to read:

Vengeons les héros de Hong Kong

We had three joint ministers of national defence who were equally responsible for the sending of unarmed troops to Hong Kong. What happened when I asked for the resignation of Colonel Ralston? I was howled down by the then leader of the opposition, Mr. Hanson, and by the other Conservative members. What happened afterwards? The leader of the opposition (Mr. Bracken) went to Grey North and he eulogized the minister of national defence who was responsible for the sending of troops to Hong Kong. He was different from his illustrious predecessor, the then member for York-Sunbury, Mr. Hanson. Mr. Hanson did not want me to ask for the resignation of Ralston, but the hon. gentleman went further; he eulogized Ralston. In Grey North he said that Ralston was a great

man. How could he be a great man when he was responsible for the sending of unarmed troops to Hong Kong?

I have come back to the fold. The reason is that the three defence ministers who acted during the war had left the cabinet. If they had stayed in the cabinet I would have stayed outside the fold of the Liberal party. The other day we heard the hon. member for Quebec South (Mr. Power) speak about Hong Kong. He said that he wanted the whole correspondence tabled. For purely personal reasons I did not mention him at the time I asked for the resignation of Colonel Ralston. However, the Tory party applauded him. The Tory party applauded the hon. member who was one of the joint ministers of national defence. That being so, how can they come now and speak about the dismal Hong Kong affair?

The leader of the opposition and the members of the Conservative opposition are far from being logical. It is time to bring them down to fundamentals and tell them that one of the great rules of law is that no one can invoke his own turpitude. Many times during the war the Tory party and the few Conservative members who belonged to it were wrongly led by the then leader of the opposition. I will go further. When I spoke about the responsibility of a Tory senator who is now dead and who was inspector general of the western command; when I asked if he had done his duty, if it was his duty to see that these men were fully equipped, what did Ralston answer? He said it was none of his business. That was Ralston's business.

Now we hear a minister of the crown saying that Ralston is not here to defend himself. He was here when I denounced him and when he was unable to answer when I showed him the label from a bottle of John de Kuyper gin. How can a minister of the crown say that Ralston is out of the chamber now when he was here doing a wrong job and when I insisted upon his resignation? I did not get it, but finally, when he and his two colleagues went out, I decided that it was time for me to come back to the fold. I will ask my hon. friends of the Conservative party as well as those of the Liberal party to realize that all the parties were guilty in the Hong Kong affair. I remember the time when the then leader of the opposition, Mr. Hanson, was saying from his seat as Conservative leader in this house: Why do we not send our men to all parts of the world so that they can share in every battle? That was said by the Conservative leader, who was the loud-speaker of Arthur Meighen, and who was never disowned or denied by anyone of the Conservative party. I will tell the Conservative party to break their ties with the ugly past and think of the future, instead of indulging in such dismal practices.

The truth has come out, but we are not here to have a lecture on history. We have to think of the future, and when I think of the bright boys and girls of the coming generation I wonder if the thirty years I have spent in politics to advocate democracy, freedom and liberty have been wasted. They have been wasted for my generation, but I hope they have not been wasted for the generations to come.

I had the opportunity and the pleasure and the privilege of addressing groups of young Liberals in the province of Ontario and I realized that they are Liberals at heart. I realize that, in spite of the effort that has been made by long beards to enslave them into socialism, they are reluctant to get into it. They want to see the Liberal doctrine exemplified and put into practice in this country. Therefore, as a man who is getting old and has been a long time in politics, I give my confidence to the coming generation, which is much better than ours because they are more open-minded.

Mr. SPEAKER: I am sorry to interrupt the hon. member but his time has expired.

Mr. C. E. STEPHENSON (Durham): Mr. Speaker, in rising to take part in this debate I should like, first, to congratulate the mover (Mr. Dion) and the seconder (Mr. Dickey) of the address. Although we realize they did not have much material to work with we must commend them for the fine work they did.

In this debate the private member is allowed considerable latitude to discuss various subjects and tell something of the constituency which he has the honour to represent. I should like to say a few words about Durham county. We have heard many members say they represent the finest county in Canada, so that I think I should take this opportunity to tell the house about the best.

Durham county fronts on lake Ontario and is located about sixty miles east of Toronto and about 220 miles from this city. It was one of the first districts settled in the province, and I suggest that the settlers used good judgment. It was from Durham county in the early years that the finest lumber was shipped to England from our fine natural harbour at Port Hope. Even today there is a wooded area known as Mast Woods, from which was taken the tall, straight timbers which supplied masts for the British navy and their sailing ships.

Since the land was cleared, Durham county has become pre-eminently a diversified agricultural district, producing choice livestock, grain, tobacco and apples. Throughout the county there are many fine churches and schools; in the urban centres are located many fine factories which manufacture, for instance, rubber tires, conveyers, steel files, chemicals, fertilizers, leather goods, enamel ware, brass fittings, and a new factory has just been completed to manufacture compressors.

News is supplied to Durham county by several weekly newspapers and also dailies. I may say, in passing, that we have a daily paper in Port Hope which was first published in 1831, and has been published ever since, which I think is quite a record. We have also a weekly, the *Canadian Statesman,* the editorials of which are quoted all over Canada. It was awarded the Editors' Trophy for the finest editorial last year on national unity. A signal honour was also conferred on the editor, Mr. George James, who won the silver medal given by the association of Canadian advertisers for the best contribution to advertising promotion in Canada in 1947. I think that is something we can all be proud of in Durham county.

I would be remiss if I did not mention that in Durham county is located the largest radium refinery in the world. Here also uranium is refined from which the atomic bomb is created. This new creation having served purposes of destruction, it is the hope of us all, even in the present state of the world that, through scientific research, this great energy-producing element may be used in the future for constructive instead of destructive purposes.

Durham county is a natural beauty spot. Its rolling hills are picturesque, while in the valleys flow spring-fed streams wherein sport the speckled trout. The inland lakes of Scugog and Rice provide the tourists with the big fellows such as muskellunge, pickerel and bass, which sometimes, of course, get away. On behalf of the citizens of Durham county I extend to all an invitation to visit this grand part of Canada.

I should like to make a few observations on our national problems. A question that is asked of every member of the house and practically of all Canadians is this: How is it that we have side by side these two countries, Canada and the United States, separated by an imaginary boundary line; yet in the United States we find 145,000,000 people, while here in Canada we still have only 12,000,000? Is it because there has been no vision in this country? Is this why we are standing still with only 12,000,000 people? The fathers of confederation showed great vision for this country. They realized that we must have railways and canals, and canals and railways were built to consolidate this great country east and west. Those railways were built under adverse circumstances, but the fathers of confederation had the vision and the courage to see that that task must be done. There has been some advancement made in this country, but we appear to have come to a period where all vision has been lost and not much encouragement is being given to explore our great natural resources. We know that we have the oil, the coal, and the minerals but very little encouragement is given to bringing these natural resources into production. That is why we have to buy these products today from the United States, which in turn is responsible for our adverse exchange position with that country. We have, over the past years, been selling our natural resources down the river for ten cents and buying them back in processed form for one dollar. That is one of the reasons why we have always had an adverse balance of trade with the United States.

Recently legislation was brought before the house to restrict some goods coming into Canada, thereby encouraging the production of materials in this country. I believe this is a step in the right direction, but it is a step which should have been taken many years ago. If we are to make a great nation of Canada we must have the vision and the courage to exploit our natural resources. The bill which was brought before the house was called, "An act to conserve foreign exchange." I suggest to you, Mr. Speaker, the measure could better have been called, "An act to conserve and manufacture Canada's natural resources." I know the Liberal party would not accept that policy because it has been the policy of Conservative parties for years. The minister hesitated to say that the measure was a protectionist measure or a conservation measure, but he would rather give it the name of an emergency measure, which may come in today and go out tomorrow, leaving our manufacturers, and those who want to expand this country, in the position where they do not know when it is going out. What encouragement is that to our manufacturers and the people who try to produce things in this country?

I would say, sir, that twenty years ago, had the Prime Minister (Mr. Mackenzie King) not been so busy keeping his political ear to the ground and forming political strategy; had he been listening to the real needs of this country, we might not now find ourselves in the position in which we are today.

Over the doors of this parliament there is an inscription which no doubt all hon. members have seen. It reads, "Where there is no vision the people perish." I would suggest that these words might be well emblazoned across the walls of this chamber in order to remind the government and others in this country of the fact that where there is no vision the people perish. I maintain that what we need today in Canada is more vision.

The general opinion is abroad in this country that our frontiers have all been explored. I think that is an idea which should be removed because our children may possibly think that Canada has no further frontiers to explore, and therefore we find that they are drifting away from Canada and going to the United States. This is a question that we must all answer. Why is it that the United States has a population of 145,000,000 people today while we have barely 12,000,000? It is time that the government took off its political glasses in order that it might see the possibilities in Canada in their true light and do something about them.

I should also like to refer to the matter of immigration. The possible reason for our small population is that the government has had no immigration policy. It was interesting to note the remarks of the Minister of Agriculture (Mr. Gardiner) when he spoke across the country lately. He told some of his audience that we should have and would have 500,000 people coming into this country every year, and this number would be eventually increased to one million people a year. The minister might have been talking politics, but it was interesting to note a recent item in the *Globe and Mail,* which showed that 48,000 immigrants were admitted to Canada last year. Something must be done to induce immigration into this country, because we know that today there are no tradesmen. If you want a tradesman today you cannot find him. There is no farm labour. It is impossible for the farmer to get help. I suggest to you, sir, that something must be done if we wish to increase industry in this country. According to a recent survey, the average age of the Ontario farmer is around sixty. I maintain that a man of this age cannot carry on and do all the work that is required of him to run a farm efficiently. That is the reason we are not getting the production in Ontario that we should have. The farmers have come to this position. During the war years they worked hard to produce everything for the war effort. They could not get the help they needed. Consequently they say, we will put in a little grain, feed a few hogs and cattle, raise a few poultry and let it go at that. The result is that the land which should be worked today is going back to grass. Many of the farms are being abandoned. I would suggest that something be done immediately to procure farm labour for the farmers of Canada.

On motion of Mr. Stephenson the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. McCANN: Tomorrow we shall continue with this debate in the hope that it may be finished.

Mr. ADAMSON: If it is concluded, what shall we take up later?

Mr. McCANN: The Minister of Finance's emergency measure or the wheat bill.

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

HOUSE OF COMMONS

Thursday, March 4, 1948

The house met at three o'clock.

POLISH ART TREASURES

POSITION OF CANADIAN GOVERNMENT—STATEMENT OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, in view of the many references recently made in the press to certain art treasures which were brought to Canada by the Polish authorities in 1940 and in order that there may be no misapprehension about the position of the Canadian government, I think I should give the house a rather full account of the circumstances.

On July 11, 1940, the Consul-General of Poland, Mr. Victor Podoski, informed the Secretary of State for External Affairs that the Polish ship *Batory* was en route to Canada carrying Polish national art treasures from the Wawel royal castle in Cracow. He requested that arrangements be made to permit the entry, free of customs inspection, of these articles, as Polish state property. On July 16, 1940, the Secretary of State for External Affairs was informed by the assistant commissioner of customs that free entry of these items had been arranged at Halifax and Ottawa.

Subsequently, at the request of the Polish consul-general, the Department of Public Works provided storage space for the treasures in the records storage building at the central experimental farm. These facilities were granted to the Polish authorities on the clear understanding that the Canadian government assumed no responsibilty for the safekeeping of these articles. No inventory of the treasures was given to the Canadian government. From the time that the treasures were deposited the representatives in Canada of the Polish government had sole access to the room where the treasures were stored, and they alone were responsible for the safekeeping of this property.

In 1945, after the retreat of the German armies, a new government was established in Poland. This government was unconditionally recognized by the government of Canada on July 16, 1945, on which date recognition was automatically withdrawn from the Polish government-in-exile which had its headquarters in London.

On May 16 and again on May 18, 1946, a representative of the legation of the newly recognized government of Poland called on the Department of External Affairs and stated that not all the Polish treasures were in the room which had been made available for the use of the Polish authorities at the central experimental farm but that parts had been dispersed to various places in Canada. This was the first indication to officials of the Canadian government that some of the treasures had been removed from the records storage building, presumably by the Polish officials originally in charge of these articles.

On June 21, 1946, the Polish legation in Ottawa informed the Department of External Affairs that, in the spring of 1945, a large part of the Polish art treasures which had been stored in the records storage building at the central experimental farm had been removed to certain places in Ottawa and in the country, and requesting the Department of External Affairs to protect these treasures.

The attitude of the Department of External Affairs was fully set forth in a reply sent to the Polish minister in Canada, on August 2, 1946. It was pointed out that, while a place of storage had been provided for these treasures, the Canadian government had not accepted responsibility for their safekeeping, and that, from the original date of storage until May, 1946, officials of the government of Canada had had no access to them. The Polish minister was also advised that, after information had been received that some of the treasures had been removed, a new lock had been placed on the door of the storage room at the public records building where the treasures had been placed, and that since that time access to the room had been permitted to no one but Canadian officials. As a courtesy to the Polish legation in Canada, and without accepting responsibility in the matter, the Department of External Affairs had communicated with various companies and institutions where, according to an officer of the Polish legation, certain of the Polish art treasures had been stored. As a result of these inquiries the Bank of Montreal stated that it was holding in safekeeping two locked

steamer trunks which, it was understood, contained property of the Polish state. Other inquiries failed to reveal the location of other missing articles. In this note it was also suggested to the Polish minister that he should arrange as soon as possible to remove those art treasures still stored in the records storage building, experimental farm.

On November 12, 1946, the Polish minister called on the Under-Secretary of State for External Affairs and asked for the help of the Canadian government in locating the missing treasures. The Polish minister stated that he had been unable to obtain any information from the institutions in Canada to which the articles had been removed, concerning their then location. On this occasion it was again pointed out to the Polish minister that the only connection the Canadian government had had with the storage of the Polish art treasures was that the Department of Public Works had made a room available to the representative of the Polish government and had handed over to him the keys of that room. At no time prior to the arrival of the representatives of the new Polish government did the Canadian authorities have an inventory of the art treasures, and at no time had the Canadian government undertaken their safekeeping.

On November 13, 1946, the Polish minister, in a note to the Secretary of State for External Affairs, gave detailed lists of the treasures, part of which it was stated had disappeared from a monastery at Ste. Anne de Beaupre, and another part of which had disappeared from a convent in Ottawa. In the note the Polish minister again requested the assistance of the Canadian government in locating the missing treasures.

Following the receipt of this note, the Department of External Affairs made further inquiries in an attempt to learn where the missing treasures were located, but without success.

On December 16, 1946, a lawyer who had been consulted by persons having possession of the missing articles called on the Under-Secretary of State for External Affairs. He suggested that an arrangement might be made by which the property in question could be restored to the Polish state by agreement at the end of a five year period. His suggestion was that in the meantime the treasures would be placed on public exhibition throughout Canada. He proposed also that as a gesture of good will between the people of Canada and the people of Poland the Canadian government might arrange with the Polish authorities for an exhibition of Canadian art in the cities of Poland during the period that the Polish treasures were on display in Canada.

[Mr. St. Laurent.]

Mr. GRAYDON: Who was the lawyer?

Mr. ST. LAURENT: Does my hon. friend wish me to state his name here? I have no objection to doing so.

Mr. GRAYDON: I suppose the public would like to know who he is.

Mr. ST. LAURENT: If the hon. member wishes me to state his name, I have nothing to withhold. But I do not see that it would be of any assistance to the public generally. Perhaps the hon. member will think that over, but if he insists I will state it.

Mr. GRAYDON: You had better give his name.

Mr. ST. LAURENT: Then I will. It was Mr. Leonard Brockington, who is a gentleman usually recognized as a lawyer of high standing.

It was further suggested that certain articles included in the collection of Polish treasures which it was claimed were the property of individuals, churches, and other institutions, should, at the end of the five year period, be returned to their beneficial owners. Officials of the Department of External Affairs stated that the department could not recognize any other than the present Polish government as entitled to property which had been brought here and entered as belonging to the Polish state, but nevertheless they undertook to explore with this lawyer the terms upon which agreement might be reached and the Polish legation in Ottawa was informed of this development. Eventually, after prolonged discussions concerning which the Polish legation was kept constantly informed, a proposal was submitted informally to the Polish authorities for their consideration. According to the terms of this proposal the Canadian government would have accepted custody of the art treasures for a period of five years, defraying during that time the costs of insurance, maintenance and transportation.

The Canadian authorities had no particular desire to accept custody of the treasures, nor to bear the expenses involved in holding them for a period of five years. They offered to do so merely because this appeared to be a necessary condition of securing an agreement whereby the treasures might be restored to the Polish government without further dispute. It was hoped that the government's willingness to accept this responsibility would be regarded by the Polish government as an evidence of the good intentions of the Canadian authorities and of their desire to assist in settling the matter.

The Polish government rejected this basis of settlement as, of course, it was fully entitled to do. No Canadian official at any time suggested that the Polish government should choose to settle this question by agreement if it would prefer to seek a solution otherwise. The chargé d'affaires of the Polish legation subsequently addressed a further note to us on September 29, 1947. This note was accompanied by a statement in which the circumstances leading to the loss of the treasures were outlined and in which a formal request was made that legal proceedings be initiated to apprehend those responsible for the removal of the treasures. A request was also made for action by the police authorities to locate the objects themselves. The statement further requested that steps be taken to prevent the missing articles or any part of them from being removed from Canada.

I replied to his communication that, while the government of Canada had no responsibility for the safekeeping of these treasures, it had been decided, in order to assist the government of Poland in the recovery of the missing objects, and since the efforts to bring about the return of the treasures by agreement have not been successful, to request the Royal Canadian Mounted Police to undertake a search in an effort to ascertain the location of the missing articles.

As regards the request that legal proceedings be initiated against those in possession, or thought to be in possession, of the missing property, the Polish chargé d'affaires was advised that the government of Poland was at perfect liberty to proceed itself in this matter through the Canadian courts.

In the note to the Polish chargé d'affaires attention was also drawn to the inaccurate statements concerning the treasures which had been appearing in the Polish press, some of which were attributed to officials of the foreign ministry. It was pointed out that the Department of External Affairs had been glad to lend its assistance to the representative of Poland in Canada in order to secure the earliest possible return of the treasures to Poland. It was therefore regretted that these efforts had been incorrectly interpreted to the people of Poland and the hope was expressed that steps would be taken by the Polish government to correct misapprehensions which had arisen as a result of reports originating in Poland.

What was done afterwards appears from the following statement issued to the press last night by the commissioner of the Royal Canadian Mounted Police:

On December 2, 1947, the Minister of External Affairs requested the Minister of Justice to instruct the Commissioner of the Royal Canadian Mounted Police to ascertain the then location of the missing Polish art treasures and further, if the missing articles were located, to endeavour to keep the same under surveillance until a decision could be reached as to what action might be taken by the Polish legation.

The Commissioner of the Royal Canadian Mounted Police was so instructed and in January, 1948, was in a position to report that a portion of the treasure consisting of 23 trunks and one box had been located stored in l'Hotel Dieu, Quebec City, a hospital and religious institution. The trunks and box had previously been stored in the Redemptorist monastery at Ste. Anne de Beaupre, Que.

When information was received by the Royal Canadian Mounted Police that the articles had been removed to the Hotel Dieu, a competent and experienced non-commissioned officer, Corporal J. R. R. Carriere, accompanied by another member of the police, Constable Houle, interviewed the Mother Superior in charge of the institution, stating that they had been requested to locate the missing Polish art treasures.

The Mother Superior on learning the purpose of the visit quite readily informed the members of the police that the treasures were still in the basement of the convent and offered to show them to the members. The offer was accepted and the room containing the treasures was visited by the two members of the police, accompanied by the Mother Superior and her assistant.

It was the Mother Superior who directed the police through the cloister, although in fact the police offered to proceed to the basement by an outside entrance.

The purpose of the interview was to seek information and the R.C.M.P. made no demand to enter, much less was there any suggestion that they had a right to search. They were received most courteously by the Mother Superior.

At a later date Inspector Rene J. Belec again interviewed the Mother Superior and was received in a most co-operative and understanding manner.

The police were fully aware that there was a dispute as to the rightful ownership or possession of the articles and the Commissioner of the police had specifically instructed that they should be treated as missing property and that no demand could be made to produce the property nor if located should any seizure action be taken.

As to the statement to which I referred yesterday as having been handed to me just before I came into the house and as being so extraordinary in its terms and inaccurate in its assertions that I wished to ascertain whether or not it really had been made before dealing with it, I have now found that it was made and I must repeat that it contains many assertions which are not true. Thus in the first paragraph it is said that a short while ago members of the federal police without search warrants and in an illegal manner, forced their entrance not only into the convent of the Sisters of the Hotel Dieu but also into their cloister.

This is an untrue statement and hon. members will have seen in this morning's papers that the Reverend Mother Superior of the convent has given it a dignified but no less unqualified denial. I think her statement should also be made a part of their record. As reported in the press, it is as follows:

A few months ago we were asked to receive from a very respectable gentleman of Polish nationality and to safeguard parcels containing, we were then told, articles of art and value.

In order to oblige we accepted the task and the packages were brought here. Things remained thus for a while and we took all care possible of the deposit in our custody to ensure their safety.

During the month of February another gentleman, also of Polish nationality, under the title of "agent" for the Polish republic, claimed that said parcels should be entrusted to him.

Informed of this task, the first person, who had put the deposit in our charge, strictly forbade us to give the said parcels away; he strengthened his order by reminding us that according to law we were not allowed to remit the deposit in question—a deposit in trust—to anyone but himself, and ordered the removal of the parcels to the provincial museum.

We then addressed ourselves to the Prime Minister of the province of Quebec, who consented to the transportation of the aforementioned articles to the museum. We believed the museum a safe place for the valuables.

We are willing to admit that our religious community had no reasons at all to permit a trial between the two gentlemen in question to implicate us. The provincial government, on its part, had told us of its intention to conform itself to the tribunal's decision.

We want it noted and understood that there was never a "saisie" (seizure) in our monastery by the provincial government, and that the deposit was never at any time under the protection of the R.C.M.P.

We accepted the deposit in good faith and we returned it according to instructions received from the person who had entrusted the valuables to our care in the first place.

That is the end of the statement which I was very happy to read this morning in the newspapers and about which I can assure the house I had no previous intimation. The suggestion in Mr. Duplessis' statement that there was a violation of the cloister is quite ridiculous. His statement further says:

We are much grieved that the federal authorities of our country, particularly the ministers representing the province of Quebec in the country's government, made themselves the collaborators of Stalin and his Polish government to the point that they ordered their police to ignore the laws and to violate the cloister of that noble order.

When one notes that this clumsy but deliberate attempt to smear the ministers representing the province of Quebec in the country's government, and remembers that he is preparing for a provincial election, one can only deplore that Mr. Duplessis should expect such tactics to win for him from well informed sources anything but contempt.

Mr. BURTON: The minister probably now knows that others may feel the same as he does when they are unjustly accused.

Mr. ST. LAURENT: I am not sure that I understand fully the purport of the hon. member's interjection, but as I understand it, I thank him for it. I am glad to hear that he agrees that not much else but what I have said could be expected from such a course.

Mr. BURTON: What I was saying was that we also do not like these accusations when they come to us unduly from other sources.

Mr. ST. LAURENT: The statement goes on to say that the government of the province of Quebec "has seized and impounded these treasures." This is what the federal government had been asked to do but had refused to do, informing those who made the request that in this country the executive government did not seize and impound objects to which there were disputing claimants; that all we could do would be to ascertain if possible where the objects were and the disputing claimants would then have to resort to the courts for an adjudication upon their rights if they saw fit to do so.

Now whatever may be the views of individuals with respect to the present government of Poland, the fact is that it is and it has been for over two years the legal government of that country recognized as such by all civilized nations, and the federal authorities have never felt and do not feel that they are acting as "accomplices" of that government in saying to it, as they would say to the government of any other sovereign state, that it is free to resort to the courts of Canada to assert and enforce any rights it may have as such to property actually situate in Canada.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I am sure that all members of the house will regret that there has been any loss of articles from the place of storage provided by this government for treasures from another country. We also regret it if there has been any misunderstanding thus created between these two nations through this loss or the movement of these articles. I wish to ask only one question. It arises from three statements of fact which I put down as the minister spoke.

The first was that the government accepted or allowed to be stored at the experimental farm about the year 1940 these Polish treasures. The second was, as we are all aware, that in

1945 a new government assumed power in Poland, which new government was recognized by this government as the legitimate government of Poland at that time. The third fact was that in 1946 this government was advised that certain of these articles had disappeared from the place of storage at the experimental farm.

So far as I am concerned the question I intend to ask is the only pertinent one. If through any action on our part, even though we took no responsibility for these treasures, if through any sin of omission or commission some of these articles have been lost, we regret it and perhaps deserve some censure. My question is this: Were any special steps taken after 1940 to protect the treasures stored at the experimental farm? Particularly after the change in government in Poland in 1945 were any special steps taken to see that they did not disappear?

Mr. ST. LAURENT: No other steps were taken than those I have indicated in the statement I made to the house.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, in view of the fact that the minister admits that the mounted police were used for civil purposes, he can have no objection to producing the reports given by Corporal Carriere and Constable Houle, either to himself as minister of external affairs or to the Minister of Justice, and I would ask whether or not those reports will be tabled.

Mr. ST. LAURENT: I received no other written report than the one I included in the statement I have read to the house. I was informed orally when the information came to the police that some of these treasures had been removed to the Hotel Dieu, and I immediately had that information conveyed to the Polish ministry.

Mr. DIEFENBAKER: Who gave the minister the information?

Mr. ST. LAURENT: The information was given to me, in fact, over the telephone by the deputy minister of justice.

Mr. DIEFENBAKER: Then I would ask the Minister of Justice whether he would produce these reports, because they deal with a civil matter, and the mounted police do not deal with civil matters.

Right Hon. J. L. ILSLEY (Minister of Justice): I shall be glad to give consideration to my hon. friend's request and give him an answer tomorrow. I am strongly under the impression that police reports to the commissioner, if there are any, are not under any circumstances producible in this house.

Mr. DIEFENBAKER: Mr. Speaker, if I might add this word, ordinarily that would be true if the police reports had to do with criminal matters.

Mr. SPEAKER: Order. I cannot permit any debate on this question.

Mr. A. L. SMITH (Calgary West): Mr. Speaker, may I ask the minister of external affairs a supplementary question arising out of the statement he made? I am merely trying to understand what the real position is. After the articles were removed from the experimental farm, according to his statement a gentleman came and asked the Mother Superior to store them at this place in the province of Quebec. Was that person—we have not his name and I do not want it—representing the old Polish government, or have we now moved into the position where it is just some individual who made the request?

Mr. ST. LAURENT: I can only state what I understand to be the fact. I understand the gentleman in question had been connected with the Polish government at the time the deposits had originally been made and that he was the same person. I am not in a position to say what happened in the meantime as to the connection between himself and the Polish government in exile in London.

Mr. SMITH (Calgary West): I take it the assumption is that he was acting for the Polish government in exile. Is that the minister's assumption?

Mr. ST. LAURENT: We repeatedly said we could not, after the recognition of the Polish government of the republic of Poland, recognize anyone else but its accredited representatives as speaking on behalf of the Polish state.

INDIAN AFFAIRS

CONCURRENCE IN SECOND REPORT OF JOINT COMMITTEE

Mr. D. F. BROWN (Essex West) moved:

That the second report of the joint committee of the Senate and House of Commons on the Indian Act, presented to this house on Tuesday last, the 2nd of March, be now concurred in.

Mr. T. L. CHURCH (Broadview): This committee has been in existence for two years. The only question, as I see it, is: Are the Indians citizens or are they not? If they are citizens they are entitled to all the privileges of citizens.

Motion agreed to.

FOREIGN AFFAIRS

REQUEST FOR OPPORTUNITY FOR DISCUSSION

On the orders of the day:

Mr. JOHN T. HACKETT (Stanstead): Mr. Speaker, there have been few occasions in the last few years when public opinion has been more disturbed by the dangers lurking in the international situation than it is at present, and I wish to ask the government if it will provide an early opportunity, next week if possible, to discuss international affairs.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I outlined to the house a month ago, I think, the procedure it was intended to follow. I feel that we should hold to that procedure. When we have concluded the emergency measures and debate on the address, the government will then consider what other measures should come forward and the order in which they should come, but until there has been an opportunity to consider this in cabinet I am not in a position to say in what order other measures will be brought forward.

Mr. M. J. COLDWELL (Rosetown-Biggar): There is a motion on the order paper on which foreign affairs could be discussed. It is the motion standing in the name of the Secretary of State for External Affairs for the approval of certain treaties. I warmly support the suggestion made by the hon. member for Stanstead (Mr. Hackett) that such a discussion should be had. I think most of us, and this applies as well to the country generally, would like to have a great deal more information on international affairs than we have at the present time.

Mr. T. L. CHURCH (Broadview): I should like to direct a question to the Secretary of State for External Affairs. Will the minister consider setting aside in the near future a day to discuss foreign affairs and the united nations? He might refer the Polish art treasures to that work of art and tower of babel, the UNO. It will get us into a third war if we don't look out.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I am sorry, but the Secretary of State for External Affairs has no jurisdiction over the internal affairs of this house.

FIVE-POWER CONFERENCE

INQUIRY AS TO CANADIAN REPRESENTATION

On the orders of the day:

Mr. W. R. THATCHER (Moose Jaw): I should like to ask the Secretary of State for External Affairs whether Canada has a representative or observer of any kind at the five-power conference which opened today in Brussels to discuss defensive matters. If not, was she invited to send one? If not, is the British government keeping Canada informed in any way as to the proceedings and developments?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, I was unable to follow the hon. gentleman's question closely enough to venture an immediate answer, but I will read it in *Hansard* and try to have an early answer for him.

RENT CONTROL

INQUIRY RESPECTING DECONTROL OF COMMERCIAL RENTS

On the orders of the day:

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I have a question for the Minister of Finance which arises out of a long telegram which I received last night from the Retail Merchants Association of Alberta. When the government's policy with respect to decontrol of commercial rents becomes effective, will the minister leave with the rental division of the wartime prices and trade board authority to deal with each case on its merits when application is made by the tenants for a board ruling?

Hon. DOUGLAS ABBOTT (Minister of Finance): My hon. friend did not have time to give me notice of his question, but I will take note of it and probably be able to give him an answer shortly.

BEEF

INQUIRY AS TO REIMPOSITION OF PRICE CEILING

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): I desire to direct a question to the Minister of Trade and Commerce, or to the Minister of Finance if the question more particularly pertains to his department. On February 26 I asked when the house might expect an announcement of the government's decision as to whether or not and when the government intends to reimpose ceilings on beef. Will the minister bring the house up to date concerning the matter of the reimposition of ceilings on beef?

Hon. DOUGLAS ABBOTT (Minister of Finance): Perhaps I had better answer that question. The situation with respect to ceilings on meat, including beef, is this. The government announced late in January, I think, that it intended to reimpose ceilings on meat and

on butter; and it was pointed out at that time that the imposition of retail ceilings on meat involved quite a technical operation in working out what those ceilings should be with respect to, I am told, nearly 200 items. That work has been proceeded with and it is now completed; but in the meantime the retail prices of meats are somewhat below the prices which were prevailing at the time the announcement was made, and therefore there has been no necessity to impose the formal ceilings. As I say, the technical work has been done, and in the event of its being necessary to do so, ceilings can be reimposed promptly.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Wednesday, March 3, consideration of the motion of Mr. J. A. Dion for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Bracken, and the amendment to the amendment of Mr. Coldwell.

Mr. C. E. STEPHENSON (Durham): Mr. Speaker, when the house rose last evening I noticed that many hon. members were present, and I wondered whether it was a compliment to myself or because a vote was expected—I am inclined to think it was the latter.

When we adjourned I had mentioned the need in Canada of a real immigration policy, and had said that I thought this should be brought about because of the help that was needed in agriculture. In view of the fact that it is our basic industry I believe everything should be done to provide labour for the farms. We seldom stop to consider that every hon. member, and indeed every individual in the world, depends on the basic industry of agriculture for his very existence; yet in many places agriculture is regarded more or less as a necessary evil. Many people go into the grocery stores and butcher shops and think—

Mr. SPEAKER: Order. There is too much noise in the house.

Mr. STEPHENSON: I should like to make a suggestion, Mr. Speaker. I notice that when questions on the orders of the day have been concluded there is a great exodus from the house, and a lot of talk is carried on. I am not speaking on behalf of myself alone, but on behalf of all hon. members. When the order of the day is proceeded with and a member rises to speak, it is not fair to have to compete against so much confusion, but that is what happens every day when an hon. member rises to speak. So far as I am concerned what I have to say may not be very interesting, but I think any hon. member who rises to address the house should be extended some courtesy and consideration.

I was saying, Mr. Speaker, that in many circles agriculture is looked upon as a necessary evil; that many of the people who go into the grocery and butcher shops think that the products there grow on the shelves of the shops. Large amounts of money are being spent in research in order that farming may be carried on more scientifically, and yet at the same time no encouragement is being given to the young people of Canada to stay on the farm. It is the young people who will put these new methods into operation, and not the older farmers of today.

It has also been said that farmers will not or do not pay good wages. I maintain, sir, that the farmers of this country will pay good wages for good help if they are given good prices for their products.

I should like to refer to a few matters particularly affecting my own constituency. The apple industry is one of the large industries in the county I have the honour to represent. An outline of it might be given from a letter which I received from some of the growers. It reads as follows:

> The first commercial orchards in Northumberland and Durham were started around 1885. Since that time this district has forged steadily ahead until now it is well over a million-dollar business with a production of three-quarters of a million bushels annually. In keeping with consumer preference the varieties have changed from chiefly Ben Davis and Spy until now McIntosh, Spy and Delicious make up the major portion of the production.
>
> A new trend in marketing is developing. The more progressive commercial growers now realize they must get their apples to the consumer in a more direct fashion and with less overhead than has been the practice in the last few years. This trend which has been started now will have a very beneficial effect both on the grading and the consumer acceptance of apples from this district.

That is to say, our growers realize that they will have to present their apples to the consumer in a much better condition than they have in the past. Canadian Canners have a factory in my constituency. Realizing this year that there was a market for such products as apple juice and apple sauce, they established a line, using much of the equipment that they had put together for canning peas and various other vegetables. The result was they finally installed a line by which they processed apple juice and other products of the apple. For that purpose the firm bought 90,000 barrels of apples and processed them. This naturally took off the market poorer grades of apples

and left the quality apples for the consumer. These better apples are being sold to the consumers of this country. I think that is a move in the right direction. Owing to world conditions we find that we must market our apple crop in Canada. We have no control over world conditions. The government of Canada should give every assistance to the growers in the way of advertising the value of apples to the people. They should emphasize the way in which apples could be used in the homes of Canada. I believe the government should give this suggestion consideration and should give every assistance they can to the growers.

I should like to say a word about the tobacco industry. This is a comparatively new industry in Durham county, but in the last twenty-five years it has grown to a $40,000,000 industry in Ontario. We find ourselves in much the same position as we are in the apple industry: owing to world conditions, we have a very small export market. I would ask the Minister of Trade and Commerce to see to it that if Britain is in a position to buy any tobacco this coming year preference shall be given to her.

I would like to refer for a moment to the shortage of veterinarians across Canada. In my county the restricted area was set up in 1937; the first re-tests were delayed, and we find once more that the test has lapsed. It was supposed to have been made before July of last year, but in spite of my request of the Minister of Agriculture then to do everything to see that the test should not lapse, nothing has been done in the county so far. The livestock dealers are much concerned over this.

I believe there is a definite shortage of veterinarians in Canada, and it is impossible, with the few available, to carry out the necessary work. In my opinion if the government is to attract veterinarians who will serve in the Department of Agriculture we cannot pay them the remuneration that is offered today for the services of such men. I understand the remuneration is between $2,700 and possibly $3,200 a year. I do not think that with this remuneration veterinarians can be attracted to the department so as to carry out this necessary work. What is the use of having spent all this money setting up restricted areas if the investment is not protected.

I would like to speak for a few minutes now on veterans affairs. On different occasions I have maintained in this house that housing under the Veterans Land Act is not meeting, and has not met, the requirements of the returned men. I might mention a case in my own county where 100 acres of land were bought and a considerable amount of money was expended in laying out this land for veterans' homes. Finally they got started and they began with four small houses. It was only late last year that these were completed though they were started in 1945. I asked for a return on this question and was informed that this project cost the government, for these four houses, $42,000. I do not believe this includes the cost of administration of the Veterans Land Act. I asked for another return as to what the cost might be and a return was given me last year. I am informed that administration of the Veterans Land Act alone, up to March 1947, was approximately $8,903,000. This was for administration alone.

These houses are being sold in many cases for around $7,000. If the veteran qualifies he gets $1,400 in lieu of gratuity and it still leaves the house around $5,600. I say to you, Mr. Speaker, that in normal times the value of these houses would be at the most $3,500 if sold on the market. The veteran, therefore, has lost all the money he had in lieu of gratuity, and he will have to put another $2,000 into the house before he has a cent of equity in it; and then if he wanted to sell it, it would not be worth more than the price I have stated. There should be a revaluation of these houses across Canada because in my opinion the price of a house to the veteran, considering the service he has given to his country, should not be more than it would bring on the open market in normal times.

It was brought to my attention that there was a revaluation of houses in Windsor and the result was little different. I understand that these revaluations were made on the basis of December 1947. Many of these houses were built in 1945, and I contend that the prices of material and labour have gone up twenty-five per cent or more since that time. Therefore the houses should have been valued on the costs of 1945 or 1946.

I wish to bring to the attention of the government one case that I have been interested in with reference to pensions. There is in my riding a lady who had three sons. They all enlisted and were officers in the flying corps. They enlisted early in the war and the first son was killed shortly after going overseas. The father, who was at home, had a heart condition and as a result he died shortly after the news was received. The second boy was shot down and killed and subsequently the third boy was also shot down and killed—all within eighteen months. In other words, four members of this family passed away, and now we find that this woman today receives a pension of $60 a month. Imagine that! After

the sacrifice she has made, that is Canada's reward—$60 a month. All she has left is the sympathy of the government and the three crosses she wears on her coat. I think, sir, it is a shame, and yet the government dilly-dallies and has not yet brought down amendments to the pension act which might allow a little increase in many of these cases.

Another thing I would mention is this, and I suggest that above everything else it must be given consideration by the government, and right away. We know there are problems at various levels of government, municipal, provincial and federal, but they all fade into insignificance when we look at the world picture today. It must alarm anyone who looks at the map showing what is going on in Europe. We find that during the war and since the end of the war, Lithuania, Latvia, Estonia and part of Finland have been brought under the Soviet government, as well as Poland, Roumania, Bulgaria, Yugoslavia, Hungary the Russian occupied zones of Germany, Austria and now Czechoslovakia. I think it should be a matter of concern to the government, and the time has come when we in Canada must take a stand on these things. We all know, from the evidence adduced before the royal commission on espionage, how much infiltration there has been into Canada, and we know the plan that has been used. In my own riding an attempt has been made to put into effect; for I regret to say that there has been established a school under the workmen's educational association, and from reliable information I have, which was verified, this school was used in the summer of 1944 as headquarters for a meeting of young communists from all over Canada, and those in charge at that time were none other than Sam Carr and William Sydney. We know, Mr. Speaker, the methods used in connection with this infiltration. In this and perhaps other countries we have been following a policy of appeasement; we have been leaning over backward in the attitude we have taken. Now I believe the time has come when we should do what they are doing in the United States. I noticed an article in the *Globe and Mail* of February 22 which reads:

> A post-war push to get alien communist leaders out of the United States has now reached full stride.
>
> In recent weeks, United States immigration agents with increasing frequency have been telling alien communists: "Here is a warrant for your deportation."
>
> More than thirty arrests have been made. Half a dozen actual deportations have occurred. More are on the list for exclusion proceedings.

I believe we should take similar action in this country and say to some of these paid agents, "Here is a one-way ticket to the land of your dreams, to your utopia". I am sure they would be rewarded by the Soviet according to their works. As I said, we have been leaning over backward with our policy of appeasement. If we continue much longer we may be in danger of falling into the abyss, the trap which no doubt has been set for us.

Mr. J. R. KIRK (Antigonish-Guysborough): Mr. Speaker, I shall not detain the house for long, but there are some observations I should like to make. First may I express a word of congratulation to the mover and seconder of the address in reply to the speech from the throne. Perhaps I may be pardoned if I make special reference to the young member for Halifax (Mr. Dickey), who seconded the address. He spent many of his younger days in my home town of Antigonish, and naturally I have followed his career with interest.

For the most part my remarks this afternoon will deal with matters that affect the maritime provinces, and perhaps more particularly the constituency of Antigonish-Guysborough, which I have the honour to represent. This constituency has varied interests, with an extensive shoreline along the rock-bound coast bordering the Atlantic ocean from the Halifax county line to the strait of Canso, thence along this strait to St. George's bay and thence to Northumberland strait and the Pictou county line. It is but natural, therefore, that fishing should play a prominent part in the lives of many of my constituents.

At this point I should like to make some reference to the recent appointment of the new Minister of Fisheries (Mr. MacKinnon). I am sure he will give this department the same careful attention that was so characteristic of his efforts on behalf of Canada when he was Minister of Trade and Commerce. If the Department of Fisheries develops under his able administration as his former department did during his tenure of office, I look forward to great strides being made by the fisheries of Canada.

But our fishing industry cannot develop single-handed, without more modern fishing methods. Only those who go down to the sea in ships know the rigours of the industry and the hardships endured by our seafaring men. One of the first suggestions I would like to make to the government is that improved aids to navigation should be provided as quickly as possible. By this I mean increased buoy service and the installation of power fog alarms which can be heard for some distance, rather than the numerous hand-operated fog alarms now in use that can be heard only a short distance away. Then, too,

I think better protection can and should be given our fishermen in the matter of what I shall call a mother ship. This is something I have been advocating for a good many years with the various ministers of fisheries. It is true that during the war the supplying of many needs of the fishermen had to be deferred, but there is not the same excuse for not taking action now. This need is recognized by the Department of Fisheries; for I have a letter written only a year ago by the then minister in which he advised me that it was appreciated by the department that our patrol service needs to be built up, but as far as I can find out no progress in this direction has been made.

In connection with the suggestion of a mother ship, it seems to me that a proper coastguard marine service to a large extent would take care of the hazards with which the fishermen are faced every day they pursue their activities. I was sorry to hear the Minister of Transport (Mr. Chevrier) say a few days ago that the cost of a coastguard marine would be prohibitive. I wonder if this statement was made after the situation had been thoroughly canvassed. It is reported that more than a year ago the R.C.M.P. were studying the possibility of establishing a new coastguard, not only for the east and west coasts but also for the great lakes, which would incorporate in one service the various seagoing activities of the government, dealing with customs, immigration, hydrographic service, fisheries patrol, transport inspection, air-sea rescue, and so on. As it is now we have these government marine services operating under various controls but unable to function in connection with rescue service with the efficiency that a well organized coastguard service could effect. I would say to the minister that his statement will not meet with much if any approval on the part of anyone in Canada. I believe those living inland, making their livelihood by other means than the sea, are genuinely interested in the welfare of our seamen; but particularly will his statement be met with something bordering on hostility by the families of those living by the sea and making their living on the sea. I suggest that the minister or the government have a thorough investigation made into the possibility of combining the services I have mentioned into one efficient organization. This combined service ordinarily could carry out the usual duties; but in emergency cases, operating under the direction of one authority, the most easily accessible rescue crew could be instructed to proceed to the assistance of those reported to be in danger.

[Mr. Kirk.]

I now turn to a subject which I think should be dealt with by the Minister of Fisheries, that is the matter of assisting groups of fishermen who have organized themselves into co-operatives which buy, process and sell fish, by giving them financial assistance in the matter of equipping their plants with mechanical freezers, cold storage plants and mechanical fish driers. The same assistance could well be given to other fish buyers who are not financially able to provide the modern equipment which is needed if we are to keep abreast of the times and provide the quality of fish demanded by the consumer.

While speaking on behalf of our fishermen I naturally think of the benefits the Department of Public Works can render these people. I am speaking, of course, of wharves, breakwaters and dredging that should and must be done if our fishermen are to continue to pursue their calling. In all fairness I think I should say the department has been pretty fair to our fishermen in the matter of keeping in repair the structures built in days gone by. But I do not think I will be unfair if I go so far as to say that in the matter of new wharves and breakwaters which are sorely needed along the coastline the department has been holding back too long. In the matter of dredging I can only endorse, in effect, what I have said on the floor of this chamber before, and on many occasions by personal conversation and by letter to the minister. The Department of Public Works either owns too few dredges or too many. I say this because at the present time private enterprise concerns are short of dredges. One of the reasons may be that dredging has to some extent been unprofitable, inasmuch as private enterprise had to compete with the Department of Public Works estimates or costs, which costs I am satisfied were not their actual dredging costs, inasmuch as many overhead charges did not enter into the cost of operation.

About a year ago I suggested to the minister, when his estimates were before the committee, that the department get busy and build dredges that would be capable of doing a certain type of dredging required along the shores of the maritime provinces. The minister, if I remember correctly, intimated that was the intention of the government. To date, however, as far as I can find out, there have been no dredges of this type built, nor indeed are there any being built. All this is a delay which should not occur, and postpones the time when the necessary dredging will be accomplished. I urge upon the minister that he see to it that orders are placed as quickly

as possible for a number of dredges sufficient to do the required dredging within a reasonable period of time.

Perhaps the minister will feel like telling the house that steel is in short supply, and that until such time as steel is more readily available the construction of these dredges will have to be deferred. To this I would say—yes, steel may be in short supply, but I think that which is available should be directed into channels where it can be made best use of. I am thinking now of steel used in the construction of theatres, bowling alleys and other construction work which is not necessary to the economy of the country. What I have said of steel applies also to wood, which has been in short supply. I am thinking now of timber needed in the construction of the wharves and breakwaters that I have been talking about.

Having dealt briefly with the problems of the fisheries, I want to discuss some of the problems of our farmers. In the more sheltered portions of the two counties of Antigonish and Guysborough, the uplands and meadows provide very fertile soil for the pursuits of agriculture, and many of our people live comfortably, though not extravagantly, on the mixed farming which is there carried on with a measure of success.

Last week the members from Nova Scotia had a call from the Hon. A. W. Mackenzie, minister of agriculture for Nova Scotia, who with his deputy minister discussed with us the proposals for reclamation of marshlands in Nova Scotia, freshwater soil erosion, rehabilitation of the apple industry, and feed grain freight assistance. To Canada's Minister of Agriculture (Mr. Gardiner) I can say that the members from Nova Scotia strongly recommend the acceptance and carrying out of the proposals made by our provincial minister of agriculture. The proposals are perhaps the most comprehensive ever placed before the government for consideration by representativs of maritime interests. We feel we are not asking for anything but what is needed, and can be justified, and is within our rights.

At this time the most urgent information required by our farmers is to know whether or not the feed grain freight assistance is to be continued beyond July next so that they can make their plans accordingly. This uncertainty must be eliminated, and very soon. Otherwise I fear many of our farmers will make plans that will be detrimental not only to themselves but to the country as a whole, to the extent that they supply our own food requirements, plus a surplus for export, either to other provinces in the dominion, to the United States, or overseas.

You will note, Mr. Speaker, I have been dealing with two of our primary industries, agriculture and fisheries. At this point, I should like to pay tribute to the work being done by the university of St. Francis Xavier, situated in my home town of Antigonish. Through its extension department, its adult study clubs and its short courses, this university has done much to assist our farmers and fishermen to improve their methods of production and their standards of living

The university has also been a pioneer in the promoting of the Rochdale principles of co-operation; and indeed its fame in this respect has spread far and wide, as witness the students from all parts of the world who crowd its halls. From South America, from the United States, from Newfoundland, the West Indies and the British isles, even from far-off China, have come those who are anxious to learn the principles of co-operation as taught at St. Francis Xavier, in order that they may carry to their own lands this program of adult education and economic co-operation.

As one result of the work being done by the Antigonish movement, many co-operative industries have come into being among the fishermen and farmers of our maritime provinces. These industries, owned by the "little people" themselves, have steadily progressed.

This brings me along, Mr. Speaker, to a subject which is uppermost in the minds of our co-operatives today, that of taxation. The co-operatives object to the present income tax act as applied to them. I do not think there is anything further that I can add to the arguments used last year when this matter was discussed in the budget debate. It is my opinion however that these co-operatives should be given every assistance possible by governments, both local and federal; and I would suggest to the Minister of Finance (Mr. Abbott) that, before bringing down the budget this year, he consider again very carefully this matter of co-operative taxation. He will, I believe, find reason to exempt from taxation bona fide co-operative enterprises which are profit-sharing rather than profit-making.

The counties of Antigonish and Guysborough also contain fine stretches of timber, both hard and soft wood; but the lumber industry has been greatly handicapped by lack of suitable means of transportation.

As I have pointed out on various occasions, the whole county of Guysborough is practically without any railroad. This Guysborough railway has been used, by both old-line parties, as a political football ever since confederation. True, no government is bound by anything a candidate may say at election time or between

elections; but this case is somewhat different, for the Liberal government has in effect promised the people of Guysborough a railway, inasmuch as a contract was let and construction work begun in 1929. Unfortunately before the contract was completed there was a change of government and the new Conservative administration under the late Right Hon. R. B. Bennett cancelled the contract, and from that day to this, nothing further has been done about it.

Naturally, during the war years, the good people of Guysborough county were satisfied to wait, believing that every available dollar should be expended in fighting the enemy. But now that the war is over, and we have gone through the transition period from war to peace, they do expect this government to fulfil the promise made to them, as I have said, away back in 1929.

I was pleased to learn that a three-man board of engineers will shortly begin study on the possibilities of improving transportation facilities across the strait of Canso. If the industries of Cape Breton are to develop, a more modern transportation system is essential. If a bridge or causeway in structurally possible, I submit that the government should proceed with the building of this link just as quickly as possible. The construction of a bridge or causeway will benefit not only the people living on the island of Cape Breton, but those in the rest of the province of Nova Scotia and other parts of Canada as well.

I would not wish to complete my remarks today without saying something in support of increases in old age pensions, blind pensions and pensions for disabled veterans. I will go so far as to say that if the revenue of the country will not provide for these increases in pensions or, if you will, bonuses scaled to meet the cost of living as it rises and falls, then in my opinion there should be no reduction in income taxes until these groups of people have been granted such increases as I have indicated.

From time to time we hear some people give their views on subsidies, some in favour, some opposed. My opinion is something like this. Theoretically, there should be no subsidies, but factually there are times when they are justified and there is no dollar sign that can determine this. The need is and should be the determining factor. The direct or indirect benefits, as I said before, cannot be computed in dollars and cents, but no doubt play a commensurate part in the country's economy. When subsidies are asked for I suggest that the government give very careful thought to the over-all benefits, before saying either yes or no, but particularly before saying no without most careful consideration.

In conclusion, I wish to say through you, sir, to the government of the day, in fact to any government at any time in charge of Canadian affairs, that they will have to give, not only consideration but favourable consideration supported by deeds and not words, to the various phases of our maritime economy, some of which I have already enumerated.

I know, Mr. Speaker, it is probably much easier, for some of us at any rate, to be nasty than to be nice, and speaking for myself I do not want to appear nasty when I use the word "warn". But I do wish to warn the government that the people in the maritimes who have given this country such loyal support in any and all endeavours for the general good and welfare of Canada expect that the Liberal government, which has done more for Canada under the leadership of our present Prime Minister than any other government has done since confederation—I repeat, those in the maritimes expect that this government will see to it that they are given equal opportunities with those residing in other parts of this great dominion. Failing this, I fear we will not continue to enjoy the unity which our Prime Minister has always stressed and which is so desirable and so necessary if Canada is to continue to progress.

Mr. DOUGLAS G. ROSS (St. Paul's): Mr. Speaker, I wish to compliment the last speaker and, as you will find out in the latter part of my remarks, I have particular reasons for doing so. I do not agree with everything he said. He suggested that the Liberal government have done more for Canada than any other government in history. Of course I do not agree with that because I think they have done more harm than any other government, and the people of Canada realize that at the present time.

I want to compliment the hon. member for Durham (Mr. Stephenson) upon the remarks he made at the conclusion of his speech when he suggested that something should be done about communists. In Toronto there are something like 30,000 known communists. When a known communist such as Smith who was educated at the school of Stalin in Moscow can command 47,000 votes when running for controller it seems to me it is about time to take cognizance of the danger of communism in this country.

I do not intend to detain the house long on this occasion. As a matter of fact, I had not intended to speak, but there is one thing which I think every hon. member has had

thrown at him in the last little while, something which affects every member of the House of Commons, and I did not think I should let this opportunity go by without saying a few words about it. I refer to the reading of speeches in the house. The prohibition in this regard is contained in standing order 41, citation 293. I shall have more to say about this later on.

Debate on the address gives hon. members an opportunity to state the grievances of their constituents. All the arguments are heard by hon. members and at the conclusion of the debate a vote is taken. The government stands or falls by the result of that vote. In other words, it is a vote of confidence in the government. I am certainly not going to vote for this government.

This debate gives hon. members an opportunity to tell of the advantages of their constituencies and to tell of the accomplishments of their constituents. I do not need to do that because my riding is the most important riding in Canada. I do not intend to give my reasons for saying that at the present time; I do not need to discuss it because everybody knows that it is. The constituents in my riding certainly have grievances and I intend to mention a few as I go along. The constituents in other parts of Canada also have grievances. Under this government there are plenty of grievances, and I shall mention just a few.

First of all, there is the inadequacy of veterans' pensions. Even the new scale does not provide the standard of living which a veteran should have. There is also the inadequacy of widows' pensions and the inadequacy of the civil service superannuation. Those people paid into the superannuation fund when a dollar bought a dollar's worth of goods, but now when they are getting their pension the same dollar buys only about fifty cents worth of goods. There is also the question of the lack of housing accommodation and the scarcity of shared accommodation.

There is the iniquitous tax of two cents on pop and chocolate bars for children, and there is also the iniquitous luxury tax on many necessities of life. As an example, take a watch selling for $2.69, the kind of watch a boy wants, a utility watch for a man. The tax on that watch is 25 per cent, or sixty-seven cents. That is only one instance in hundreds of cases.

Everybody is affected by the lack of vision on the part of this government in the development of our natural resources. The government have shown great tardiness in respect to its immigration policy and in respect to the obstructions which were placed in the way of the province of Ontario when they wanted to bring in immigrants to this province. Then there is the stubbornness and stupidity on the part of the government in the handling of the United States dollar shortage. It is hard to believe that there could be anything more stupid or lacking in foresight than that. There are many more grievances which I could mention and which I shall have an opportunity of speaking about at some future time.

I come now to a matter which affects every every member of the House of Commons, the reading of speeches. I know there are varied opinions with regard to this. I do not wish to criticize any member for reading his speech or delivering it otherwise just as he likes. The rule against reading speeches originated in the distant past when some members perhaps did not have the educational advantages which the present membership of the house has, and sometimes they would get someone outside the house to put down their thoughts on paper for delivery in the house. Some perhaps did not have their own thoughts but somebody else's put down on paper for them to read, and so the rule against reading speeches was made. But today it is a relic of the dark ages. I doubt if any member today gets an outsider to write his speech for him. It is not necessary because, despite what might be said in some quarters, I have a very high opinion of the intellectual ability of the members of the House of Commons.

Today if an objection is made to a member reading his speech, Your Honour points to the rule which says he must not read his speech. Often a member reading his speech will be interrupted, as was the case the other day when one of our French-speaking members attempted to read his speech in English. I think he should have been allowed to do so without interruption, but he was interrupted and there was a delay in consequence. Finally he bowed to Your Honour's ruling and said that he would stick closely to his notes.

I suggest that a member who reads his speech in the House of Commons should not be interrupted. I do not like reading my speeches, but when you want to be careful in what you say you have to stick closely to your notes. Many speeches delivered in the House of Commons have been read; there is no doubt about that, and there is an unfairness about the thing because one member reading his speech will be interrupted and attention called to the rule, while another is allowed to go on reading without any interruptions. I think a change should be made in this rule. If the speeches generally were more carefully prepared and read they could be made much shorter and more concise. All

of us are not so gifted in oratory that we can say briefly what we want to say in clear and concise language. There is a certain amount of fumbling and stumbling and repetition. I have heard long speeches made in this house containing much repetition and perhaps some of the main points the speaker intended to make were overlooked.

I do not think all prepared speeches which are read in the house are mechanical or lifeless. The Secretary of State for External Affairs (Mr. St. Laurent) rose in his place this afternoon and said that he was making a statement, but he was really reading a statement. It is certainly true that some speeches which are read are lifeless. On the other hand, I have heard many able speeches read in the house.

Mr. ISNOR: That was a statement which the Secretary of State for External Affairs made this afternoon.

Mr. ROSS (St. Paul's): He said he was making a statement, but he read his statement. There is quite a difference. If he had said, "I am reading a statement", all right; but, as it was, he was breaking the rule by reading his statement. The rule does not allow that.

Mr. ISNOR: Except by practice.

Mr. ROSS (St. Paul's): No one would say that the great speeches of Mr. Churchill are lifeless or mechanical or wooden; yet nearly all his major speeches were read from prepared manuscript, and the same was true of Mr. Roosevelt. Many ministers of the crown read their speeches in this house; we all know that. Sometimes they are called statements, but they are speeches just the same. If we are to have one rule in this house for ministers and another rule for the other members it is time we got rid of the rule. I feel strongly about this. In past times the rule may have been wise, but I doubt if it serves any useful purpose today. The purpose for which it was made has gone. A farce is made of the rule today.

I have heard some very good speeches read in this house, as, for example, that of the hon. gentleman who preceded me. His speech was a very thoughtful one and a compliment to the membership of this house.

With all due deference, Mr. Speaker, I have a few constructive suggestions to make on this subject, one of which I have made before.

First, I would say that if a member so desires he should be allowed to hand in any written, non-controversial speech, and if, upon examination, it is found to be such, let it be printed in an appendix to *Hansard*. That would take care of members who wish to extol the advantages of their constituencies.

Second, if a member desires to read his speech he should so announce to the house, and be limited to a shorter time for its delivery, say thirty minutes. I think that would make for speeches of shorter duration, or else.

Third, the rule ought to be rescinded or enforced. It is not being enforced at this time; therefore it is a farce. I am sure some change is necessary to prevent delays and to ensure respect for this house. I am not speaking on behalf of hon. members alone; I am speaking on behalf of the general public of the country. I think the public would be far better served if hon. members were allowed to have their speeches prepared in typewritten form, everything put in a concise form, and then to deliver them to the house.

(Translation):

Mr. MAXIME RAYMOND (Beauharnois-Laprairie): Mr. Speaker, for quite some time our people have been worried, and rightly, over the economic conditions of our country and the trend of our public policies.

They are worried, notably, over the gradual and steady rise in the cost of living ever since the war ended and which has now reached a point where many families are deprived of the necessaries of life in a country where production is abundant, while we are selling a large part of that production to strangers at ridiculously low prices or giving it to them outright. In other words they are worried over this poverty in the midst of plenty. They are further disturbed by the shortage of housing and the insanitary condition of houses where large families are being crowded, in a country producing almost twice its normal timber requirements.

They view with apprehension the unprecedented extravagance with strangers while they themselves are subjected to an austerity program and crushed under a burden of taxes causing special hardships to large families.

Another reason for concern is our financial situation which causes us to borrow from our neighbours while lending to others without any hope of reimbursement.

In spite of the many warnings by competent authorities, that a country cannot forever at the same time buy cash and sell on credit or simply give away its goods overseas, our government has ignored this simple truth and maintained its policy of lavish gifts to foreigners and of hardship for its own people until the time came when something had to

be done and our whole economic structure was threatened with collapse. Such are the conditions facing us at the beginning of 1948.

The measures proposed by the government to restore the equilibrium of our economy are not such as to allay our fears. An investigation committee cannot stop the increasing cost of living; the government should have used every available means to prevent that increase. On the other hand, we cannot hope to lower the cost of living by restricting imports of American goods, as this will only create a greater scarcity of much needed consumer goods. On the contrary, scarcity of goods will cause prices to rise.

A 25 per cent excise tax on consumer goods is not the proper way of lowering the cost of living.

It is not sufficient to state in the speech from the throne that "Canada has continued to enjoy general prosperity" and to boast that our help to devastated countries has been unequalled by other nations. Such statements cannot make us forget that in Montreal, for instance, thousands are living in squalor and without proper shelter, and do not relieve the government of responsibility in the matter.

Misery and austerity in a land of prosperity and plenty are dangerous and paradoxical contradictions that can only beget communism.

Any evil must be quelled at its source. What is the basic reason for our economic muddle? It can be summed up in a single sentence: All our policies, internal as well as external, hinge on favouring British interests at the expense of Canada.

To anyone who cares to review the government's actions during and since the war, it is clear that the main concern of this administration has been to serve the empire first without any regard for Canadian needs or interests. Our economic, commercial, financial, domestic, and immigration policies, as well as our policy of assistance to war-ravaged countries all are subservient to British interests.

While the war lasted, the slogan we went by was: "To the last man and to the last cent for the protection of British possessions". Since the end of the war, our new motto has been : "To the last cent so that Great Britain may rebuild her economic might and recover her world market at our expense."

When we declared war in 1939 it was not, as a lying propaganda would have us believe, to defend Canada, or civilization, or the freedom of smaller nations, or democracy, or the respect of borders and treaties, but only because England had gone to war to protect her world supremacy, her trade, her various interests on every continent.

Can we protect civilization by means of an alliance with the most barbarous people that ever lived, the Russian people? Can we maintain fredom by uniting with the country now crushing surrounding small nations underfoot? Can we uphold democracy by uniting with the greatest of all dictators? Can we defend treaties with a country that has broken all treaties? Can we protect the territorial integrity of small nations with a large country annexing all neighbouring small nations?

No. Let us not fool the people any longer.

To be brief, I shall only mention a few official statements quite significant as far as the tendencies of our foreign policy under the Prime Minister (Mr. Mackenzie King) are concerned.

When England declared war on Germany, on September 3, 1939, prime minister Neville Chamberlain indicated that this action had been taken to honour a signature to a treaty, ensuring the territorial integrity of Poland.

Mr. Churchill, addressing himself to this house on December 30, 1941, stated:

> We plunged into this war all unprepared, because we had pledged our word to stand by the side of Poland which Hitler had feloniously invaded.

Such was the reason given by England to their entry into the war with Germany. There was no mention of civilization, of Christian ideals, et cetera.

But Canada, who had no obligations towards Poland, could make no such claim. We learned later, in 1944, from the Prime Minister himself, that despite many claims to the contrary made in this house, and without the knowledge of parliament, he had committed this country to participating alongside Great Britain in a war against Germany, should the occasion arise. That was as early as 1937, at the time of the Imperial Conference. (See *Hansard* for 1944, page 6268).

More than that, to show his devotion to the empire at the expense of Canada, the Prime Minister declared at a luncheon in Prince Albert on July 7, 1941, that at the time of the Munich conference in 1938, though the country was divided on the question of Canada's participation, he would have favoured the latter. Here is what he said:

(Text):

If war had come at the time of the Munich conference, the country would have divided on the question of Canada's participation.

I am sure even my own cabinet would have been divided. But had war come my advice to the government would have been what it was a year later when war came—to stand at the side of Britain.

(Translation):

Yet, in 1938, Mr. Chamberlain found that there was no point in fighting Germany over the claims of the Sudeten Germans of Czechoslovakia, which he believed well-founded. Sir John Simon even added:

Munich ensured the return to the Reich of a region which should never have been incorporated into Czechoslovak territory. In fact, we have, by our action in this matter, corrected one of the errors of the peace treaty.

Nevertheless, the Prime Minister was ready to launch Canada into war, had England entered an armed conflict. It was the carrying out of the imperialistic policy he expounded in the house on January 16, 1939. "When England is at war, we are at war," a slogan which Mr. Churchill took up once again in the British house on April 21, 1944, when he said that in 1939 the great principle whereby "When the king declares war, the empire is at war" had been upheld.

Our stand is determined according to the interests not of Canada but of the empire.

After war had been declared, we put forth a war effort proportionately greater than that of any other country. Yet, we did not have like Britain possessions to protect in Europe, in Asia or in Africa.

We went even further. We financed Great Britain which, however, owned and still owns investments in many parts of the world, and even in Canada.

Here is how Mr. Churchill acknowledged our contribution to the imperial effort, as he said, since it was the empire's war.

On December 30, 1941, speaking in this house, he said:

The contribution of Canada to the imperial war effort, in troops, in ships, in aircraft, in food and in finance has been magnificent . . . The Canadian government has imposed no limitation upon the use of the Canadian army whether upon the continent of Europe or elsewhere.

[Mr. Raymond (Beauharnois-Laprairie).]

After this we are still expected to believe that when we went to Hong Kong, for instance, we fought for the defence of Canada.

But all this was not enough to satisfy our leaders' imperialistic fever. So we set out making first outright gifts then gifts disguised under various forms.

Gifts of money, gifts disguised under the form of mutual aid, cancellation of debt, subsidies on our export products, loans without interest and security, loss on the sale of our products at a price below world prices, etc., all of which adds up to a total which may reach seven or eight billions of dollars and which the Canadian people will have to pay in taxes.

The Canadian people are being bled white to allow England to restore her economy and resume her pre-war trade, at the risk of ruining this country.

Our policy is essentially imperialistic and anti-Canadian; our present diffiiculties are the consequence of it all.

Why are we short of American dollars? First of all, because we have made loans beyond our means; then because it is forbidden to export to the United States certain farm products and other commodities, such as beef, that we could sell at quite profitable prices instead of giving them or selling them on credit and at lower prices to Great Britain.

The cost of living has greatly increased because we export most of our foodstuffs to Great Britain at a lower price than that paid by Canadian consumers.

As goods become scarcer here, prices rise. Since the end of the war, the cost of living has climbed steeply in Canada while it has remained practically unchanged in England.

Since it is now forbidden to import various consumer goods from the United States, there is a still greater scarcity of available commodities; further, the 25 per cent excise tax collected on a large number of products raises the cost of living. Such provisions, however, are in the interest of the British, as was explained by the Minister of Finance (Mr. Abbott), and this seems to be the main consideration the present government keeps in mind.

United Kingdom consumers are better off than Canadian consumers since they pay less for our products.

Government subsidies on commodities sold in Great Britain have been maintained and in some cases increased, while those that were paid on goods consumed in Canada were removed.

In 1946, for instance, we did away with the subsidy on liquid milk, step that raised the price of milk to the local consumer, but at the same time, we increased the subsidy on the milk required for our cheese production which is almost entirely sold to England. Who pays those subsidies? The Canadian taxpayer. Canadian consumers are taxed to help foreign consumers. But in order to make gifts of billions of dollars to Great Britain, we must have large revenues.

There is a housing shortage. In Montreal alone, 70,000 more houses would be needed and the speech from the throne refers to a lack of building materials. Why, for instance, this shortage of lumber? Too much of it has been shipped to England.

It is all very well to ship building materials to other nations that they may provide shelters for their people, but it is better still to provide homes for Canadians who are without them. There are people in Canada who are dying from the cold.

According to *Le Canada* of February 16, a citizen of the British Isles, who came to settle in this country, went back to England and stated on his return that the housing problem is more acute in Canada than in Great Britain. While duty bids us be charitable to others, we have, towards our fellow citizens, not only duties of charity but specific obligations.

There is no hesitation in taxing our people for the benefit of other countries but the government becomes stingy when it comes to provide services for our own nation.

Thus as a measure of economy—I see the hon. Postmaster General (Mr. Bertrand) is in his seat—rural postal service was abolished in certain districts because it cost too much.

Hon. ERNEST BERTRAND (Postmaster General): Nowhere has it been abolished.

Mr. RAYMOND (Beauharnois-Laprairie): It has been claimed that the tenderers were asking too much. The hon. Postmaster General knows about it, for I called certain cases to his attention.

When the state lends to Canadian farmers, it asks an interest of 4½ to 5 per cent, depending on the type of loan, but to the British, it lends without interest when it does not give.

One who serves the empire has more rights than one who serves his country. Thus a man who answered the call for military service in Canada does not have the same privileges as the man who served overseas. Why such discrimination? Why should it be more praiseworthy to defend a foreign country than one's own? This proves that our policy is fully and firstly at the empire's service. Canada comes next.

To justify our excessive lavishness towards the United Kingdom the government has heaped fallacy upon fallacy.

Some contended that the money loaned to Great Britain without interest and probably without security was good business and constituted a sort of insurance against unemployment. Knowing the facts, I have never been able to understand that argument.

1. It is the only country to which we loaned money without interest. We did so in order to allow her to purchase from us at a price lower than the world price—and at a time when we had to do with rationing—foodstuffs and raw materials which we could have sold anytime and anywhere at a much higher price, because those commodities were much in demand.

2. We will not find employment for our city workers by selling raw materials which will be transformed into manufactured products and compete with our own goods.

3. In addition, those sales do not benefit us, since we are being paid with our own money, while we could sell to other countries for cash.

Others have said that our gesture was bound to ensure a future market for our products if and when the general demand decreases.

Facts have proven the fallacy of that argument. First, Great Britain will not buy our manufactured products because she herself depends on the export of her own manufactured goods.

As to buying our natural products and our raw materials, we are aware of the trade agreements she has made with several countries, including Russia, Poland, Denmark, Australia, Argentina and others. She buys raw materials which she processes for export. It is her right, which nobody can deny her. She tries to secure the best bargain. Hers is a truly national policy.

Thanks to our gifts and interest free loans, she is getting back on her feet and is out to

win over various markets while stepping up the production of wheat and other foodstuffs.

Here is what we are told in a release handed out in December, 1947, by the United Kingdom Information Service:

(Text):

Before the war, Britain produced only one-third of its food . . . and today one-half of Britain's food is produced at home. The target is to raise this proportion to sixty per cent... Wheat output was more than doubled . . . British agriculture is to increase output by $400,000,000 or twenty per cent during the next five years.

(Translation):

Far from securing a future market for us, our making interest free and no doubt irrecoverable loans to England in order to sell her our goods at less than world prices, while we were making interest bearing loans to countries like China, Holland, France, Belgium and Norway who pay us world prices, will probably cause us to lose our markets in these countries and elsewhere.

There has been an unfavourable reaction to our contracts with Great Britain for the sale of our wheat at less than the world price and of the greater part of our other foodstuffs to her to the exclusion of almost every other country.

Here are the remarks heard last Spring by a Canadian travelling through France, Holland, Belgium and Denmark:

(Text):

"Why is it that Canada supplies Britain with wheat at $1.55 and charges us from $2.75 up to $3?" "We, they stated, were your allies during the war equally with Britain, and moreover we endured the hardships and terrors of the German occupation, which Britain did not, and all during that period we continued fighting underground to help you. Why, therefore, are we not entitled to wheat at as cheap a price as you give it to Britain for we are in just as much economic distress and lost to the Germans, cattle, horses and machinery which Britain did not?" "Do you think, they asked, that such an action on the part of Canada is conducive to goodwill in the future when Canada will be looking for markets for her wheat?"

(Translation):

Were it a question of helping the starving nations of Europe, no one would object, as long as we did not go beyond our means, and as long as we considered the need of those who ask for our aid. But Britain is not all Europe. It is not the only starving nation. On the contrary, it is possibly the most fortunate in this regard, according to Red Cross and other reports.

The British Food Minister, Mr. Strachey, stated last October:

(Text):

"When I look at the dreadful difficulties in most of Europe today, I think we must have something to be thankful for in this country." The food situation of western Europe is far, far more serious than anything we had to face here.

(Translation):

A bulletin issued by the Information Office of Great Britain stated the following in December 1947:

(Text):

A large section of the people ate better than pre-war . . . In 1947, food available for consumption yielded an average of 2,870 calories a day per person . . .

(Translation):

It has been established that the normal ration to feed one person is 2,400 calories. In many countries of Europe, there are millions of people who do not receive half of that normal ration.

Our policy of assistance, as far as that is concerned, is based on the interests of Great Britain and not those of the starving nations.

Practically all of our exports of food products are earmarked for England, who benefits thereby by helping herself first and then making a distribution to other countries at our expense.

Thus does England make friends and strengthens her future trade at our expense.

To rebuild the United Kingdom's economy our own is put in jeopardy.

Now is there any reason to wonder overmuch at the trend of our policy on behalf of British interests, when we know that the Cabinet, whose duty it is to run Canada's business, include five members of Great Britain's Privy Council, namely: our Prime Minister, the Minister of Justice (Mr. Ilsley), the Secretary of State for External Affairs (Mr. St. Laurent), the Minister of Reconstruction and of Trade and Commerce (Mr. Howe), the Minister of Agriculture (Mr. Gardiner), who, according to their oaths of office, pledged their word that the empire's interests will be protected and promoted against any country. These are excerpts from the form of oath taken by members of the imperial privy council:

(Text):

I do swear by Almighty God to be a true and faithful servant unto the King's Majesty, as one of His Majesty's Privy Council . . . I will to my uttermost bear faith and allegiance unto the King's Majesty, and will assist and defend all jurisdictions, pre-eminences and authorities, granted to His Majesty, and annexed to the crown by acts of parliament, or otherwise, against all foreign princes, persons, prelates, states or potentates. And generally in all things I will do as a faithful and true servant ought to do to His Majesty.

(Translation):

Here is a further brief excerpt from the form of oath taken by members of the Canadian Privy Council.

(Text):

You . . . do solemnly promise and swear that you will serve His Majesty truly and faithfully in the place of his council in this His Majesty's Dominion of Canada . . . In general you will be vigilant, diligent, and circumspect in all your doings touching the King's Majesty's affairs.

(Translation):

It should be noted that a member of the Privy Council in Canada is not the equal of a member of the Privy Council in the United Kingdom. The former is styled "Honourable" and the latter "Right Honourable," which seems to indicate the degree of superiority attached to the position.

Our five ministers who are also members of the imperal privy council hold key positions in the Canadian cabinet; in fact they direct the government's policy.

There is first the Prime Minister, whose imperialistic feelings were revealed during and since the war. It was he who in 1941 said in Prince Albert that he had been ready in 1938 to engage Canada in a war in which England was involved, even at the risk of breaking away from his party, which was divided.

Was he then furthering the interests of Canada or those of the King of England? Were his thoughts those of a member of the Canadian or of the imperial privy council?

What is the explanation for the persistence in maintaining the privy council as an appeal court, for our dependence upon London for amendments to our constitution, for the right of disallowance of our legislation which the Statute of Westminster has not abolished, and finally, for the persistence in appointing as Governor General a stranger, and his refusal to give us a truly distinctive flag. Those are so many colonial ties.

It is not surprising that Mr. Neville Chamberlain, in his memoirs, should have judged our Prime Minister to be "a good and loyal imperialist" and that the King of Great Britain should have awarded him a medal for signal services to the empire.

Then we come to the Minister of Justice who seems to have forgotten the Statute of Westminster.

This right hon. gentleman, stated in this house, in February, 1942, that he was representing in the government those who felt duty bound to fight for the British empire in all parts of the world and, again in 1947, claimed that whenever the economic stability of Great Britain was threatened our national interest was at stake.

Then also there is the Secretary of State for External Affairs who opposed a request of our Canadian bishops for a tax exemption on incomes up to $3,000 a year giving as a reason that the government would be deprived of some $250 million and adding that he preferred to pay the same amount of money as family allowances. If he could forget that he is a member of the Imperial Privy Council, he could grant such an exemption and still afford to pay family allowances, by reducing the disguised gifts made to Great Britain. He would then be acting as a member of the Privy Council for Canada.

As to the Minister of Reconstruction and of Trade and Commerce, his chief concern seems to be the economic reconstruction of the empire. His objective in controlling our exports is to direct them towards the United Kingdom. He is much more anxious to find houses for the people of the British Isles than for our Canadian people. He is truly a loyal member of the Imperial Privy Council.

Finally, the Minister of Agriculture holds the key to the granaries that feed the starving who, in his eyes, are found only in London. He practically gives away our wheat; Canadians must resign themselves to eating cow meat because good beef is sent to Great Britain. During the packers strike of last September, he was less concerned with the plight of Canadian families deprived of meat than with the problem of the British Isles whose inhabitants might miss our deliveries if they were not maintained. His attitude is not surprising since he is a member of the Imperial Privy Council.

What are we to think of this abnormal situation? Some cabinet members are bound by a dual allegiance, having sworn to serve another country as well as their own; that is why Canadian interests are invariably sacrificed to those of the United Kingdom. It is inconceivable that such an anomaly, to say the least, should exist in a sovereign state.

To my mind, Mr. Speaker, the duties of a member of the Canadian Privy Council are incompatible with those of a member of the United Kingdom Privy Council, because it is impossible to serve two masters at a time, the one in America, the other in Europe.

The interests of the two countries are different, as the Prime Minister stated in this house on May 24, 1938. He said:

In times of world disturbance, the policies of no two countries can be alike, provided they are rooted in their own interests or the ideals in which their interests are sublimated, and are not merely echoes of the policies of other countries.

It is therefore obvious that one cannot counsel two parties whose interests are or may be in opposition. May I bring to your attention the statement issued by Lord Tweedsmuir in October, 1937:

Canada is a sovereign nation . . .

A Canadian's first loyalty is not to the British Commonwealth of Nations but to Canada and Canada's king.

(Text):

Mr. R. E. DROPE (Northumberland, Ont.): Mr. Speaker, I rise to take part in this debate, realizing that it has been some length of time since it was begun. First, I should like to join with other hon. members in expressing my congratulations to the mover and the seconder of the address in reply to the speech from the throne. I have listened to the various speakers who have taken part in the debate, and it has been somewhat of an education to me to learn something more about this great country which we are pleased to call Canada.

I should like to tell the house something about the county of Northumberland, which I have the honour to represent. It may be of interest to know that it is the important part of Ontario located eighty miles east of Toronto. Cobourg is our largest town. It is an all-year port, with a ferry service plying between that point and the city of Rochester in the United States. Much coal is delivered to the port of Cobourg, and we hope that at some time ocean-going vessels may call there.

There is no trouble in defining our boundaries, because we have lake Ontario on the south and Rice lake and the Trent river on the north. That part of Ontario is considered as being one of the greatest tourist places in the province, if not in all Canada. If you want good fishing come to Rice lake and the Trent river, because we really have the fish there.

During both wars many of the young men in my constituency turned out in defence of this country. I am glad to be able to say that many veterans have come back and have re-established themselves in Northumberland county. It was a pleasure for me to sit on the veterans affairs committee. A lot of good work was accomplished at that time. We shall never be finished with our veteran problem as long as there is a veteran living. It is my opinion that we should give the greatest consideration to matters affecting veterans. They should be given the best the country can afford. We have been told of some slight increases that are to be given. I realize that it costs a lot of money when you are dealing, not just with one person but right across the board. However, when we are dealing with veterans, especially those who have lost limbs or are maimed in other ways, we should see that they have no worries in regard to financial matters.

I should like to say something about our transportation systems. We used to hear about railways, seaways and highways. First of all, I should like to say something about our railways in so far as they concern the town of Cobourg and the people in the front part of Northumberland. The railways have adopted schedules to speed up their trains and for some reason or another they go right through the county of Northumberland with their fast trains. Generally these trains are run in two or three sections. This practice affects other counties along the lake shore, because they leave out many important towns. When there are two or three sections of a train operating daily I see no reason why they could not stagger the schedule to permit one section to stop at some of these important places. That would give service to the people. While the trains have been crowded lately, we can remember back when there was lots of room. If we want this system to pay its way we should give service to the people and encourage railway traffic.

The problem of the St. Lawrence seaway is a large one because it concerns the United States. However, I think some progress should be made. It is claimed that water transportation is the cheapest and, if so, we should make more use of it.

We have in Ontario one of the finest highway systems in the country, but we should think along the lines of a trans-Canada highway so that we can travel from coast to coast on our own highways. The minister who is looking after this matter should try to get the various highway departments together to consider a national scheme.

Taxes are of great concern to most people and the eight per cent sales tax certainly adds considerably to the cost of living. If the Minister of Finance (Mr. Abbott) could see his way clear to reduce this tax it would make a considerable difference to the family budget. To those in the lower income brackets, the exemptions of $750 and $1,500 are much too low with the present high cost of living. I have had considerable correspondence from people in my riding on this matter. Many of our schoolteachers are getting along on fairly modest salaries and they, with many others in the same class, are finding that the present exemption does not permit them to maintain their standard of living. They think they should have an exemption of $1,200 for single persons and $2,000 for married. I hope the Minister of Finance will give some consideration to these people when he brings down his budget.

I think we all realize that it is difficult to lower taxes unless there is a reduction in the money being spent. Recently I asked for details of the Belleville tax office located in Hastings county. I was told that there were so many employees in that office people could hardly get inside. Some farmers who have

attempted to file income tax forms have said that there seemed to be more employees than there were taxpayers. I was surprised at the return I received this morning. This shows that in 1945 in this small office there were sixty-four employees and that the total collections amounted to $10,680,000. In 1946 there were seventy-seven employees and they collected a little over $10,000,000. In 1947 they had eighty-two employees and their collections were down $3,000,000. In 1948 they had just doubled the number of employees they had in 1945, the present total being 121.

My experience in business has been that when your dollar volume of sales go down you must curtail expenses somewhere else. If this is a fair example of other offices throughout the land; if they have all doubled their staffs in the last two or three years, we can understand why taxes are not being reduced. I suggest that the Minister of National Revenue (Mr. McCann) look into this matter. Surely, if they needed only sixty-four employees to collect $10,000,000 in 1945 they do not need 121 employees in 1948.

I think I am entitled to say something about agriculture since I come from a large agricultural county. Yesterday and this afternoon we heard something about apples from the county of Durham. We are just immediately east of the county of Durham. Our apple growers are known as the apple growers of the united counties of Northumberland and Durham. We think we grow just a little better apple than they do in Durham.

An hon. MEMBER: Give us a sample.

Mr. DROPE: Someone has suggested that I give samples. I have taken note of what the Speaker has said with regard to no exhibits being produced in the house. Probably he thought I might be bringing in a cow some time. Since he has ruled them out I am unable to present any at the present time, but if any hon. members come around to my office I will see what I can do. The apple producers are certainly putting out a good product. If the apples are merchandised properly and the people realize their food value I think more of them will be used in our country. We all seem to think we must use imported oranges and grapefruit in our diet, but I believe it is likely that the medical men in the house would say that apples would be just as good for our health.

We have had some discussion about the vegetable growers. In the southern part of my county we can grow all the vegetables that a good many cities require, but our farmers are hesitant about going into that heavily without some assurance of a market for what they produce. I have often seen thousands of perishable vegetables, cabbages and so forth, dumped simply because there was no market for them. If vegetable growers were assured of a market for a reasonable length of time they could produce all the vegetables we require in Canada.

The beef cattle producers in this country seem to think they are being deprived of a valuable market in the United States, where cattle prices are much higher. They feel that we should get some shipments of our beef cattle into the United States market, if only so that the people across the line will not lose their taste for our beef.

There has been talk about improving all the cattle herds in this country. I believe that the system of artificial insemination from improved sires should be encouraged by our departments of agriculture. The T.B. testing of cattle has been carried on in various parts of the country, and the Minister of Agriculture (Mr. Gardiner) promised me last year that this work would be continued in the county of Northumberland. Just a small fraction of the county was covered by part-time veterinaries, and the work there was only started and has not been completed. I trust that this important work will be completed at the earliest possible moment.

A word about dairy products and their distribution. We are realizing that the best food value we can get for our dollar today is what is spent on dairy products. Milk is accepted as one of the best foods a person can use. A great many of our farmers, particularly in the southern part of my county are supplying milk to the Toronto market and other centres. In the eastern and northern parts of my county we have many cheese factories. The cheese industry means more to this country than the average person appreciates. It is one of the main dairy products that we can successfully export, and one of the things that the British people are always desirous of getting is good Canadian cheese.

We consume in this country all the butter that we can produce, and in the next four or five weeks a butter distribution problem will arise, because of the ceiling that has been put on butter. Butter is the only dairy product on which the ceiling has been reimposed. That has held up the movement of butter from one province to another. The only place where there is any surplus butter today is in western Canada, and it is found only in small lots, probably fifty to one hundred boxes. In order to ship this to eastern markets like Toronto and Montreal, it would have to be assembled in carload lots, about 400 boxes to a car.

Assembling this butter from small lots into carload lots involves considerable expense and, because of the ceiling on butter, the shipper is unable to recover that expense. Therefore it seems to me that it would be of benefit to the consumers of Canada if the department concerned would see that financial help was given in assembling this butter for delivery to eastern markets, where it will be needed for a few weeks before our spring production comes on.

International affairs are of grave concern to all of us. We should not be like the ostrich, hiding our heads in the sand. We can all see something of what is taking place abroad. Only this afternoon two or three members urged that time be found to have a debate on international affairs in this house. Whatever procedure may be followed, we should certainly be doing something to work out a solution of international problems that would avoid another world conflict, which would cause so much suffering and hardship and destruction. We all sincerely hope that it will not be necessary for the cream of our youth, our young men and our young women, to come forward again to fight in another world war. Surely wiser counsels can prevail. The only thing is to face up to the problem and while we yet have time, take decisive measures which seem to be wise.

Mr. VICTOR QUELCH (Acadia): Mr. Speaker, the amendment to the amendment moved by the C.C.F. reads as follows:

> That the following words be inserted:
> This house regrets that Your Excellency's advisers have failed to use the powers provided by parliament to control prices, and by their actions have caused alarming increases in the cost of living and a dangerous lowering of the living standards of the Canadian people.

We feel that the government deserves severe criticism for allowing the price of farm machinery to rise sharply while controlling the prices of other commodities. I mention machinery specifically, because I think it was the action of the wartime prices and trade board in allowing a 12½ per cent increase in the price of machinery in 1946 which, first of all, discredited that board in the eyes of the people.

Furthermore, we criticize the government for raising the price of commodities by increasing indirect taxation. The government must bear a substantial part of the blame for high prices due to the high tax content therein, thereby, of course, lowering the standard of living of people in the low-income groups. For that reason we intend to support the amendment to the amendment.

But I want to make it clear that, while we support the C.C.F. amendment, we do not support them in their demand for the reimposition of all price controls and the rolling back of prices to the 1946 level. We believe that such a policy at this time would create a great deal of confusion. We believe, further, that it would tend to discourage many lines of production and, in addition, would mean a substantial increase in taxation. My reason for saying that is this. In 1947 our exports, according to the report of the Bank of Canada, were in the neighbourhood of $2,800 million. Our imports were in an amount close to that. At the same time, the price of goods outside Canada was considerably higher than the price level within Canada. Therefore, if you are to roll back prices to the 1946 level it will be necessary heavily to subsidize all your imported goods. In addition, you would have to subsidize the price of agricultural products if you were to roll them back to 1946; or, on the other hand, of course, get the farmers to take a reduction in price. It is quite obvious that subsidies of those dimensions would mean a heavy increase in taxation at this time.

Some people may argue that we have a fairly substantial surplus of $600 million or $700 million or more, and we could use that surplus for that purpose. On the other hand, most hon. members are advocating a substantial increase in old age pensions, a reduction in indirect taxation, and an increase in the income tax exemption. All hon. members will agree, I believe, that this would more than wipe out any surplus that we may have. If it was the intention to roll back prices to the 1946 level it would mean a very heavy program of subsidization that would be bound to increase taxation, and at this time the people are not asking for increased taxation.

Ever since this group first came into the house in 1936, we have consistently expressed the opinion that it should be the responsibility of the federal government to adjust prices to a level that would be fair to both the consumer and the producer. We all know that the secondary industries have always been in the position where they could sell their products so as to recover costs of production and earn a fair profit. But unfortunately that has not been the position in the primary industries. They generally find that they have to take world prices. In spite of the fact that, with the exception of wheat, over ninety per cent of our agricultural products in the past was consumed in Canada, the ten per cent that was exported invariably set the price of the ninety per cent that was consumed in this country. We all remember only too well what the farmers went through in the thirties as a result of that type of policy. Therefore we have always insisted

that the federal government must assume responsibility for guaranteeing to the primary producers a fair price; and by a fair price I mean a price that will return to the farmer his fair share of the national income, so that the price of agricultural products will bear a fair relationship to the price of other commodities.

We have also urged that the federal government should adjust the price of consumer goods, so that the aggregate of prices of consumer goods would balance with the effective purchasing power of the people. We maintain that only in that way can you hope to maintain your production at an optimum level, because no industry can continue to produce unless it can sell. We therefore maintain that it should be the responsibility of the government at all times to maintain an effective demand against the production in the country.

During the war and in the immediate post-war years, special price controls and rationing were necessary, on account of the needs of war; but the time will come in the very near future when it will be necessary to take action to maintain an effective demand against our production. That warning was given to the country by Graham Towers in his 1946 report.

It seems to me that, during this debate, there has been an air of unreality about a number of speeches that have been made on economic conditions in Canada. The impression has been created that we are climbing up an unending road and that we are apt to collapse en route, when in reality the situation is that we are climbing a hill, the top of which may be reached at any time, and then the great danger that will face the country is that we may come down the other side so fast that we shall not be able to stop to level off at the point we would want to, but, instead of that, we may very well crash at the bottom into a depression.

We were given a very fair picture of the situation by the governor of the Bank of Canada in his 1946 report. We were given the same picture by the former minister of finance in his 1946 budget, and again we were warned of the situation by the United States economist Beardsley Ruml. Briefly the situation explained to us was this: the immediate post-war years would be inflationary years due mainly to three things: first, to the fact that there was a large backlog of demand created by unspent war savings; second, to the amount of money that would be paid out for reconversion, and, third, to the fact that large foreign credits were being granted, and therefore goods exported under these credits without any imports being brought back in return. As a result of these things, there would unquestionably be an inflationary trend in this country. But at the same time, when the governor of the Bank of Canada warned us of the situation he also warned that, after that, the main problem which would be facing the country would be to maintain a demand for production.

Some hon. members have ridiculed the idea of prices levelling off. They say we are in the third year of peace; it is the third year since the war and prices have not levelled off. They also suggested that these people who were advocating the lifting of price controls apparently thought prices would immediately level off. I do not believe any hon. member who was advocating that price ceilings should be lifted thought for one minute that prices would immediately level off. It is quite evident that this would take time.

When I spoke in the house last year I quoted the statement of Beardsley Ruml. Beardsley Ruml indicated that everything pointed to the fact that prices would first break or first show a falling off in the spring of 1948. He made that statement in the spring of 1947. I think his prophecy was a very good one, because we have already seen a break in the price structure, and the extent to which prices will break further will depend largely upon the type of action that is taken in the United States and in this country. If no action were taken there would probably be a further break; but, on the other hand, if large credits are granted under the Marshall plan, no doubt these prices will be maintained. What I cannot understand is this: some people are not ready to wait for a depression to come; they apparently want to push us into one. So far as the experience of Canadians is concerned, most people in this country have suffered far more through depressions than they have through booms. When I recall the thirties and the poverty and degradation that so many people went through, how they lost their life savings, their life insurance, their farms, even their health, and, in some cases, even their lives, I cannot understand people in this country today continually talking as though they were hoping for a depression to come in the near future to bring prices down. I realize that, at a time like this, when we have high prices there are people in the low-income groups who are suffering and suffering severely. We are of the opinion, and we have said so, that government should take immediate action to look after the people in low-income groups, such as old age pensioners and other classes to whom I shall refer later on.

I wish to say a few words regarding the increased cost of living. The C.C.F. group blames profiteering mostly for the increased cost of living. There is no doubt that part of the reason for the increased cost of living is profiteering, since we are still in an inflationary period, and any time you have an inflationary period anybody who has anything to sell tries to get a little bit more, whether it be for his labour or for his commodity. Everybody is out to try to get the highest price for what he has to sell; but it is amazing how many people with high incomes criticizing the high cost of living today do not realize that their own income is part and parcel of the high price level. Therefore, if a fall in the price level occurs, their income will go down as well. I think a very good example of that is given by the governor of the Bank of Canada in his 1947 report on page 19:

> The combined effect of upward pressure on our price level from foreign and domestic sources was to increase the general wholesale price index by 28 per cent, and the cost of living index by 15 per cent during 1947. Although the situation with respect to wage rates varied considerably among different groups of wage earner's, average hourly earnings of hourly-rated employees in manufacturing industry rose by about 15 per cent for the year, and their average weekly earnings increased by nearly 16 per cent.

Note that an increase in wages gave rise to an increase in the cost of living. The wage earner, however, does not appreciate that his increase in wages is part of the increased prices.

We in the Social Credit party have always emphasized the fact that you cannot increase the purchasing power of the people by increasing wages, because when you increase wages prices will rise and absorb the benefits of the increased wage. We have always emphasized the fact that if you want to increase the purchasing power of the people it will be necessary to supplement the wage earner's income by additional payments outside the industrial system.

Now the Conservative party, or perhaps I should say the hon. member for Muskoka-Ontario (Mr. Macdonnell), who, I believe, is the financial critic for the Conservative party, lays special emphasis on the dangers of inflation. He has referred on a number of occasions to the fact that at the present time the money supply in Canada is three times what it was in 1939, and he has time and again criticized the government for their inflationary policy. With all kindness I would say to the hon. member for Muskoka-Ontario that if he is going to criticize any party in this house for that situation he should turn his criticism on his own party.

Let me explain what I mean. He quoted with approval the statement by the then minister of finance in 1939 to the effect that, as soon as we had reached the point of full employment, it would not be wise to have a further expansion of money. He quoted that as I said with approval. I would like to refer him to the attitude of the Conservative party in this house in the first year in which there was a substantial increase in taxation, the year 1942. In 1942 when we were discussing the budget proposal in this house, the then leader of the Conservative party criticized bitterly the proposals for an increase in taxation and suggested that there might be an easier way of financing the war, and he said, "Page the member for Lethbridge". He was apparently advocating that, instead of financing the war by increased taxation, we should finance it by national money.

Mr. MACDONNELL (Muskoka-Ontario): Will the hon. member permit a question?

Mr. QUELCH: Certainly.

Mr. MACDONNELL (Muskoka-Ontario): I want to ask the hon. member if he is aware that, while I did, as he has stated, speak in approval of the budget speech of 1939, in its hope that it might be able shortly to stop the extension of credit, I went on to point out that at that time we had a phony war, which we hoped would last only a short time. I also indicated that I thought that, with the enormous expansion which came during the war, the steps, though undoubtedly inflationary, taken during the war, were justified up to the end of the war. My criticism rested on what had taken place since that time.

Mr. QUELCH: Nevertheless the hon. member for Muskoka-Ontario has referred time and again to the fact that we now have three times as much money in circulation as in 1939. The government's war policy, its financial policy, was pay as you go as far as possible; and yet, when the government of the day tried as far as it could to put into effect a pay-as-you-go policy, the most bitter criticism came from the Conservative party regarding taxation. And, mind you, they went farther than that. They took the stand that if the government were not prepared to adopt some such proposals as those of the hon. member for Lethbridge, they should curtail the war effort to a stipulated amount of money.

Maybe I should not say that without quoting, because I do not want to misrepresent the situation. I will quote from *Hansard* of 1942, at page 4444, July 20, 1942:

Mr. Hanson (York-Sunbury): . . . I admit that the sacrifice of a soldier cannot be measured in terms of dollars and cents, but if we are to have anything left in this country, then I say, do not tax us too heavily.

And further down:

The minister has to have money, but I say he has gone the limit in one method he has devised and he must devise some other method. Page the hon. member for Lethbridge (Mr. Blackmore) as to the other method.

Then to show that, unless the war could be carried on without increasing taxation to that scale, or if the government were not prepared to use national money, he thought it might be wise to limit the war effort, I quote again:

Mr. Ilsley: It is a case of spending whatever the country is capable of spending on war, doing everything the country is capable of doing, and then of adopting some financial method or another to see that that cost is met. It is not a case of deciding how much we can afford to spend, or how many dollars we can raise, and then adapting our war effort to that number of dollars.

Mr. Hanson (York-Sunbury): Would that not be a fairly wise thing to do?

Mr. Ilsley: No, I do not think so.

Mr. Hanson (York-Sunbury): That is what you have to do in private life.

Mr. Ilsley: Yes, that is what is done in business, and what perhaps has been done by governments in former years. But from the very beginning our decision has been to do everything the country was capable of doing, no matter what the cost, and then finance it some way or another. We have been able to do it so far.

The government received the full approval of this group in their slogan that whatever was physically possible and desirable could be made financially possible.

I agree that the hon. member for Muskoka-Ontario has turned his main criticism to the policies since the end of the war, but he will admit that the dangerous situation is the fact that we have large accumulations of savings which would not have been there to the same extent had we adopted a pay-as-you-go policy to a greater extent.

Mr. MACDONNELL (Muskoka-Ontario): Will the hon. member permit one further word of explanation? I also made it clear that I approved the heavy taxation imposed during the war.

Mr. QUELCH: Yes. I was not saying that the hon. member was to blame, because he was not in the house at the time; but that was the attitude of the leader of the Conservative party in this house in 1942. That is why I say the hon. member should level his criticism against the Conservative party of that day rather than against the government.

Mr. McCANN: And not only the leader but others in that party.

Mr. QUELCH: Yes, the financial critic in this house, in the Conservative party, before the present member came in. He also took the stand that they should find an easier method of financing the war by the creation of credit. I refer to the hon. member for Rosedale (Mr. Jackman).

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. QUELCH: Before the house rose at six o'clock, Mr. Speaker, I had been discussing the question of whose was the responsibility for increasing the supply of money during the war. I think we all agree that the expansion of money which took place at that time was essential in order to maintain the volume of production that was required. For the same reason we feel that the present supply of money will also be necessary if we are to maintain production at its maximum level. When you discuss the danger of inflation you must ask, what is the best solution of the problem of inflation? I would say the best solution is the expansion of production; and if we are to expand production in this country we must maintain an easy-money policy.

I understand that when the hon. member for Muskoka-Ontario spoke a few days ago—and I intend to refer to this only briefly, because I understand that the hon. member has to be absent from the house this evening—he suggested that we should increase interest rates at this time. I shall discuss that suggestion some other time; but, in passing, I should like to make this comment. If at the present time it is desirable that we should expand production in this country—and I do not think anyone will deny that statement—then would it be wise to adopt a tight-money policy? Would it be wise to increase the cost of money, thereby increasing the basic cost of production? When you increase interest rates you do increase the basic cost of production; and how can we hope to compete with the other nations of

the world in production if we are going out of our way to increase the basic cost of that production?

I have referred briefly to the C.C.F. contention that profiteering was largely responsible for the increase in prices, and also to the references of the hon. member for Muskoka-Ontario to the danger of inflation. I would say that in my opinion one of the principal causes of the increase in prices is the fact that Canada is and has been a heavy exporter and importer of goods. As I pointed out, last year we exported in the neighbourhood of $2,800 million worth of goods, and imported goods to a similar amount. Price levels outside Canada are higher than in Canada. Therefore, Canada being a heavy exporter and importer, the price level in this country is bound to rise unless we are going to indulge in a heavy program of subsidization. I know it may be argued that we were able to control prices during the war, and that, therefore, there is no reason why we should not be able to control them at this time. I should like to remind hon. members that during the war we paid heavy subsidies; we maintained heavy taxation; we borrowed heavily, and we imposed rigid controls. I do not believe for one moment that the people of Canada today would tolerate the continuation of such a policy, because on all sides we hear people demanding that there be a reduction in taxation.

The main criticism we hear today is with respect to prices of farm produce. That is only natural. People compare the price level of agricultural produce today with the price level in 1939, and they find that the increase in prices of agricultural products is greater than the increase in other commodities. That is natural, of course; and the reason is that, in the thirties, prices of agricultural products were altogether too low in comparison with prices of other commodities, so what has taken place has been merely a slight levelling up in the relationship between prices of agricultural goods and prices of other commodities. Furthermore, when people criticize agricultural prices today they forget the tremendous losses agriculture suffered in the thirties. Those losses can be made up only by agriculture receiving prices that will not only meet the cost of production but will also return a fair profit.

I understand that the C.C.F. and quite a number of other people favour the payment of subsidies in order to reduce prices of agricultural products to the consumer. I say, why pick on agricultural products? The moment you commence to subsidize agricultural products, people will get the impression that agricultural prices are too high in relation to prices of other commodities. Furthermore, why should we sell agricultural products at less than the cost of production, to people in the high-income brackets? Look at the people who today are receiving large incomes, people who are selling their own products at high prices. Why should they be allowed to buy agricultural products at less than the cost of production? So personally I am opposed to subsidizing the consumer at this time to permit him to buy agricultural products at lower prices, because immediately people will get the impression that agricultural prices are too high.

We in this group believe in subsidies; we always have believed in them, but for a different purpose. First of all, we believe in subsidies for the purpose of establishing a basic income, raising the income of the people in the low-income brackets to a level which will permit them to live decently. Then we have advocated for a long time that the old age pension should be increased to $50 a month. In the first place, we should reduce the age from seventy to sixty-five; then, as production increased in relation to demand, we could reduce it further to sixty. We recognized the need of paying pensions to people who are blind; and we reduced the age to twenty-one. We advocated this because these people are largely physically incapacitated. But I could never understand why we drew the line at people who are blind. Surely the people who are totally disabled from other causes need pensions just as much as the people who are blind, and I think it is high time the government brought down a policy whereby pensions would be paid to all people physically incapacitated. Another way of taking care of people in the low-income brackets—and I am referring to these people because they are the ones who are suffering today as a result of the high prices, not the people in the high-income brackets, who can easily afford the higher prices—would be to increase the rate of family allowances; and to the extent that those in the high-income brackets did not need this help, the income tax would deprive them of it.

Then, let us take the question of disability pensions for veterans, and the war veterans allowance. I understand that the government has agreed to increase the disability pensions by sixteen per cent. That is all to the good; but, generally speaking, the veterans' organizations consider that the increase should be at least twenty-five per cent. In view of the fact that we shall be discussing this matter in the house in the near future I am not going

to say more on this question, but at the moment I should like to say a word on the war veterans allowance, which was introduced as a recognition of the fact that the veteran had pre-aged by ten years, and should, therefore, be given a pension at sixty instead of at seventy. Well, today we find that people in receipt of the war veterans allowance are getting less than the old age pensioners. Most members of this house are, I think, acquainted with many pitiful cases of people in receipt of war veterans allowance, who are finding it practically impossible to exist. So, when this matter comes up in the house I hope the government will find it possible to wipe out the means test; or, if they are not prepared to wipe it out, at least let the veteran have an income equal to the amount of the exemption under the income tax. Why not try to make the income tax exemption the basic income level to which we shall try to raise all incomes?

Now, of course, the question comes up as to whether we can afford to do this. Just before six o'clock I praised the government for their war policy, under which they said they would not allow any financial restrictions to handicap the war effort. They subscribed to the idea that anything physically possible and desirable could be made financially possible. If that were true in war it can be equally true today. We fought the war to defeat the enemy and to bring into being the new social order we heard so much about those days. If we were prepared to adopt a realistic financial policy to achieve that objective then, how much more important it is that we should maintain a sound policy in these times in order to win the peace for which we fought and sacrificed so dearly.

There has always been an excuse in the past for doing nothing. In the thirties we were told we could not do this or that for the simple reason that we had not the money. No one suggested for one moment in those days that we had not the goods. In those days we had 500,000 unemployed. Our industries were running at less than fifty per cent of capacity. It would have been a simple matter to put the unemployed to work and to provide the things the people needed; but we were told we could not do that because we could not get the money. It took a war to waken the government to what could be done under a realistic financial policy.

The people expressed amazement that, as a result of a changed financial policy, we were able in a short space of time to double the country's production. But those same people are now taking it for granted that we must have reduced production. I think the government will find it pretty hard to give us an excuse today for not making anything that is physically possible and desirable financially possible. What excuse can the government give today for not dealing adequately with old age pensions, for not increasing family allowances where required, and for not dealing with war veterans allowances?

I should like to hear the reasons. If war were declared tomorrow—and we hope it will not be for many years—would the Minister of Finance (Mr. Abbott) suggest for one moment that the government would reverse its former war policy? The minister knows very well that if we had another war in the near future, exactly the same financial policy that we had in the last war would immediately be brought back into operation.

We financed the last time to take the lead in our war effort. I say to the Minister of Finance that at this time it is necessary for us in Canada to set an example to the world by now maintaining the same realistic attitude toward financial policy that we maintained in those years.

Mr. ABBOTT: And go back to wartime tax levels?

Mr. QUELCH: I am glad the minister said that. He referred to going back to wartime tax levels.

Mr. ABBOTT: I know I should not have interjected.

Mr. PROBE: I should say not.

Mr. ABBOTT: I should have not interjected. But does my hon. friend think the people of Canada would be willing to go back today to wartime tax levels?

Mr. QUELCH: No, and it would not be necessary; because in wartime fifty per cent of production was going for the war, while today that fifty per cent of production is available to the people.

Mr. ABBOTT: Still you have to tax.

Mr. QUELCH: During the war the government time and again said that the main reason for taxation was not that of providing revenue but rather that of curtailing spending, because the war was withdrawing from Canada fifty per cent of production. Today that production is here, and there is a totally different situation. You have the total production available for the people to consume today and, therefore, you do not need to tax to the same extent.

Mr. ABBOTT: Certainly it is an entirely different situation; I agree with my hon. friend there.

Mr. BLACKMORE: The same old ideas, though.

Mr. QUELCH: I would again remind the house of the position about which the governor of the Bank of Canada warned us, a position where the present under-production, will expand and we shall not be able to maintain an effective demand against that production. That time will come. The governor of the Bank of Canada warned us it would come. We have already seen a price break, and this may be a warning that that situation may come in the near future. When that situation develops, then we maintain that it will be the responsibility of the government to establish a policy which will make it possible to maintain an effective demand against our production at all times. When that time comes we believe the government will be justified in paying a price discount on the price of all goods to the extent necessary to balance demand with supply.

For example, if the demand is only 90 per cent of supply, then the government would be justified in paying to an industry a ten per cent discount on its sales of goods so as to equate demand and supply. Industry would be able to sell goods at a ten per cent discount. The sales slips would be taken to the bank and a credit of ten per cent would be allowed, the bank being reimbursed by the government. In that way at all times there would be a balance so as to equate demand with supply.

Furthermore, in order to maintain a high level of production, the government must guarantee parity prices to the farmer. For the past eight years the farmers have been required to sell for less than they could have, due to a policy of government intervention. Then, for a period of ten years before the war they had to sell at world market prices, which were then low. Therefore the farmers have every right and justification for demanding that in future, as a basic principle, they should receive a guaranteed price, and that that guaranteed price should be based upon parity, that is a price which would bear a fair relationship to prices of other commodities. The federal government should reorganize the Agricultural Prices Support Act, so that it would be made a permanent piece of legislation. And it should be made quite clear under that act that prices to be paid in the future will be parity prices.

The all-important question today is that of maintaining a maximum degree of production. As I have already pointed out, the best way to end inflation is to increase the production of consumer goods so as to satisfy demand. But we insist that one of the chief deterrents to increased production is indirect taxation. It increases costs to the producer, while at the same time increasing costs to the consumer. Furthermore, we feel that the government should increase the rate of exemptions from income tax. That is probably the best way to encourage labour and also to encourage the farmer to increase production.

While I am on the subject of taxation, I should like to say a few words regarding the prairie farmers' income tax form. I happened to see it only the other night and I have felt bitter ever since reading it. This is supposed to be a simplified form. I am not taking any special exception on that score. It is a bigger form. But what I am taking definite exception to is what appears at page 5, where it asks for the farmer's net worth statement. I believe farmers will bitterly resent this form, particularly this page, as being discriminatory action against them.

On this page the farmer is required to show the cash on his person at December 31, 1947, and December 31, 1946. He is also required to show cash in bank, cash in safety deposit boxes, the amount of government bonds and shares that he has either on the farm or, apparently, in a safety deposit box.

I would draw this fact to the attention of the Minister of National Revenue (Mr. McCann), that no other occupational group is required to disclose this information. Then, if no other occupational group is required to provide this information, why should the farmer be required to do so? I have been told by certain officials that the reason is that they have to catch up with the farmer. That is the reason given by some of the officials. In other words, they are insinuating that the farmers are more dishonest than other groups. Let me say to the minister I am satisfied that the farmers of this country are just as honest as the members of the profession he represents, or those of any other profession.

Mr. McCANN: So am I.

Mr. QUELCH: Then, why insinuate that the farmers are not honest, by requiring that this form be filled out? By doing that, you are definitely insinuating that the farmers are not honest. And I, as a farmer member of parliament, bitterly resent the fact that I am required to fill out that information, information which any other member of parliament who is not a farmer does not have to fill out.

I suggest to the minister that, even though this form has been sent out, it would be a

good thing for his department to notify the farmers that whether they fill out the information on that page or not is purely optional. If it is made optional I do not think there would be any objection. You say to me, "You do not need to fill it in unless you want to," and I would not mind filling it in, but when you tell me that I have to fill it in when nobody else has to fill it in, then you accuse me of being dishonest and I resent the imputation.

Before taking my seat, I should like to say a few words with regard to my constituency. The constituency which I represent in east central Alberta is sparsely populated. Over 70 per cent of the original settlers have left because of drought conditions. Surveys of an irrigation project known as the Red Deer diversion have been completed and approved. This project provides for the irrigation of 500,000 acres. The land is good, and services have already been established in the area in the form of roads, railways, towns and schools. The project would make it possible for the district to support an additional population of over 30,000 people.

Canada has embarked upon an expanding immigration program and Europeans would be ideally adapted to settling on irrigated farms. Therefore, in closing, I urge upon the government the desirability of going ahead immediately with the construction of that project in order to make self-supporting a large area which could help other countries by providing homes for people in displaced persons camps.

Mr. DONALD M. FLEMING (Eglinton): Mr. Speaker, at this final stage of the debate on the address I do not for a moment pretend that I can bring something new to the debate. After all, just about every issue before the Canadian people today has been traversed. In my effort tonight I should like if I can to bring into focus what I conceive to be some of the issues at stake in the want of confidence motion which is embodied in the main amendment

We meet today in perilous times. Czechoslovakia has gone under. She is swallowed up behind the iron curtain. Freedom there is gone and the iron curtain has marched farther west. The pattern has been the same everywhere. Revolutionary Marxism and Russian imperialism are going hand in hand, bound upon world revolution. France and Italy are next on the list. The pattern has been the same all the way through. The Russian forces of occupation have been used as a cover for political activity. There have been coalition governments and the seizure of key posts in those governments by communists; then has come the control of the police and security forces, the control of the labour unions, and when the time was ripe the well organized communist minority struck and the forces of freedom were engulfed.

Time is of the essence. If there should be delay in implementing the Marshall plan, if the communist forces should strike in France and Italy, a situation will arise that will challenge the freedom and security of every man, woman and child on this continent. Let no one think Canada is not on the list. You have only to read the more recent utterances of that redoubtable communist, Tim Buck, to know that Canada in her turn is placed on the program of revolution.

When we look at what has passed we can only shudder when we think of what may happen if Russian forces are used as occupational forces in other sections of the world.

But the threat of communism is not confined to Europe. We have communism threatening us and our freedom and our security right here in Canada. It has been very interesting to those who have sat in this house, even in the short space of time since 1945, to hear the Prime Minister (Mr. Mackenzie King) and the Secretary of State for External Affairs (Mr. St. Laurent) picturing the dangers of communism in some of their recent utterances. They do well to picture those dangers, but surely this is a belated awakening on the part of the Prime Minister and the Secretary of State for External Affairs. It was barely two years ago when we had a disclosure of intrigue and espionage being carried on here in Canada by agents of revolutionary communism, that the Prime Minister on March 18, 1946, uttered these words:

> I did think at one time of going to Russia myself and of speaking with Generalissimo Stalin with reference to it.

That was with reference to the espionage which was going on right here.

> What I know, or have learned of Mr. Stalin from those who have been closely associated with him in the war, causes me to believe that he would not countenance action of this kind on the part of officials of his country. I believe that when these facts are known to him and to others in positions of full responsibility, we shall find a change will come that will make a vast difference indeed.

That was a pathetic speech coming from a man who had been pictured before the Canadian people by the Liberal carpet-baggers in the 1945 general election as the man who had all possible knowledge about external affairs, as the man who was on terms of intimacy with the leaders of other countries, as the man who would steer this country past all the shoals that confronted us in our external relations in the post-war period. That was the substance of his

speech in this house in 1946. You can see just how realistic was the appreciation of the Prime Minister of the dangers of communism right at our door.

Here is what Tim Buck, the No. 1 communist in Canada, had to say in Vancouver last November. He was addressing a meeting of students at the University of British Columbia, and in reply to a question by a student he said that if Canada should be drawn into a war with Russia he would not defend this country, but "would go into hiding the same as I did at the start of the last war."

There is no doubt about where the higher loyalties of communists lie. It is not to Canada.

What of the present government's relations to the communist party? There is an old saying that if you lie down with dogs you will get up with fleas. The Liberal government lay down with the dogs of communism in 1944 and 1945, and it has not been able to shake off from itself the communist fleas that have been clinging to it ever since. In 1944 Tim Buck and other communists were released from prison, at which time Tim Buck as their leader made an offer of co-operation to the government. He offered to join forces with the Liberal government of the day, the same kind of government as we have now. What was the answer given on behalf of the Liberal party? Here is the answer of A. G. McLean, director of the National Liberal Federation, speaking with reference to that barefaced offer of the union of forces coming from Tim Buck. As reported in the Winnipeg *Free Press* of June 26, 1944, he said:

> The Liberal party welcomes co-operation from everyone in Canada in putting into effect Liberal principles and policies.

If there is such identification of Liberal principles and policies with the creed of Tim Buck as it was proclaimed at that time, then all I have to say is that the Liberal party are welcome to that kind of support. If they can maintain themselves in office only by submitting to and receiving that kind of support, then it is high time that the people of this country have an opportunity of saying at the polls whether they approve.

Of course that kind of co-operation began to burst into flower in Grey North. After that generous offer of co-operation by Tim Buck you will remember, Mr. Speaker, the endorsation of the Liberal candidate in the Grey North by-election by the communist forces and the fact that communist leaders, working through the ranks of labour in Canada, had their pictures taken and inserted in the Owen Sound paper, proclaiming their wholehearted support of the Liberal candidate. Of course, at the bottom of the page appeared these words, "Published by authority of the Grey North Liberal Association". Yes, the Liberal forces in that campaign were glad to welcome support from that doubtful quarter, and if there is attaching to the Labour Progressive forces in Canada since 1944 any badge of respectability it is the Liberal party and the present government here which lent that badge of respectability to the communist forces.

Mr. MITCHELL: Will the hon. member—

Mr. SPEAKER: Order. Does the hon. member rise on a question of privilege?

Mr. MITCHELL: I would like to ask my hon. friend a question.

Mr. FLEMING: What is the question?

Mr. MITCHELL: I would ask him to quote Churchill when the Germans invaded Russia.

Mr. FLEMING: I do not know what on earth that irrelevant interruption has to do with what I am talking about.

Today it seems as though the communist forces in Canada are able to see in the C.C.F. platform enough resemblance to their own to be able conscientiously to offer their wholehearted support to the C.C.F. in any contest that may be coming. The communist forces have offered their support to the C.C.F. Here is Tim Buck in a recent pronouncement in Massey Hall, Toronto, offering to throw the full weight of the communist forces behind the C.C.F. in the next election. Here are the Liberals and the C.C.F. jockeying and vying with one another to enjoy this doubtful support. So far as we of the Progressive Conservative party are concerned, they are welcome to that support.

It would be very much more to the point if this government would make some serious endeavour to meet this insidious challenge of the communist forces in Canada, the insidious propaganda and the falsehoods that are inherent in communist propaganda. One of the first things needed in combating this propaganda is to tell the rank and file of the Canadian people just how much better their lot is than that of the people who are enjoying the doubtful privilege of living under communism in Russia today. The lot of the workers on this continent is so infinitely better than the lot of the workers in Russia that that factor should be brought home to our people at every opportunity.

Not very long ago the New York *Times* compiled a table indicating a comparison of the real wages of workers in Russia and in

the United States. It is a table which I think bears a fair relation to conditions in Canada. The table lists many items and gives the man-hours of work necessary to earn them in the two countries. For example, take milk. In the United States the average worker in industry works 10 minutes to earn one quart of milk; in Russia, 1 hour, 18 minutes; eggs, one dozen, in the United States, 38½ minutes; in Russia, 4 hours and 57 minutes; tea, one pound, in the United States, 39½ minutes; in Russia, 11 hours; coffee, one pound, in the United States, 22½ minutes; in Russia, 14 hours, 6 minutes. There are many other illuminating items in this table, and if I might have the approval of the house I would ask the privilege of putting it on the record.

Some hon. MEMBERS: No.

Other hon. MEMBERS: Read it.

Mr. FLEMING: Another factor which I think needs emphasis at the present time is our priceless heritage of individual freedom. There is no such thing in the countries behind the iron curtain today. Raise your voice in opposition to the government there, and you are on your way to the concentration camp. It should not be lost sight of, Mr. Speaker, that our modern conceptions of individual freedom based upon the guardianship of parliament grew up in the past three centuries hand in hand with our modern free enterprise, and that necessary relationship needs, I think, always to be borne in mind.

What of the parliament of Canada in this present situation, parliament which should be the guardian of freedom, parliament which should stand up to this government and resist governmental attempts to make inroads upon human freedom and upon the privileges of parliament? If headway has been made, and I think some has in the past three years, in reasserting the supremacy of parliament against the inroads of the executive branch of government, the credit for that progress is due to those who sit on this side of the house. It has been an uphill fight, Mr. Speaker, against those on your right who have regarded themselves as entrenched in power, and the Progressive Conservative party intends to carry on that battle until it is won. We intend to expose and resist the studied contempt in which this government holds parliament—its insatiable appetite for power, its enthronement of bureaucratic methods, its withholding of information to which parliament is entitled; and Mr. Speaker, if you want the latest example of the contempt in which this government, far too long in office, holds parliament you have only to recall events of recent weeks: the calling of parliament together in December, with its hands tied so that it could do nothing and simply was made a laughing-stock in the eyes of the Canadian people. If you want more recent evidence of it look at the statement made in the house by the Prime Minister last week in which he said he would ask this house to adjourn on June 30 whether the business of the country and of parliament was concluded or not, in order that the Liberal party might unimpeded hold its national convention this summer. The interests of the party first, the interests of the country and the parliament second—that is the record of this government all the way through. They have always got an excuse for situations arising out of their own dilatoriness, as we have seen very recently. Here is the latest episode, the attempt to impose taxation without any reference to parliament, the levying of imposts in the form of taxes before parliament is even in session to hear the minister's announcement. Yes, Mr. Speaker, well may we recall the words of William Pitt:

> Necessity is the plea for every infringement of human freedom. It is the argument of tyrants; it is the creed of slaves.

Those who want to submit to that can cheer the Minister of Finance (Mr. Abbott) to the echo, if they like. I note the applause of the Minister of Finance by those who sit to your right, Mr. Speaker.

It is high time that this government was told that government is not to be carried on any longer simply by wise-cracking. We expect something more serious from government than the way in which it has been carried on of late from the government benches.

Let us recall the Declaration of Right, 1628, and the Bill of Rights, 1689, with their assertion of the right of parliament and parliament alone to levy taxes and their denial to the executive branch of government of any right to impose levies of any kind without the authority of parliament. This government has torn them up, just as in earlier days it tore up the rights of Canadians under Magna Carta. With all this has gone the breaking of the government's promises. I do not need to remind you, Mr. Speaker, of the way in which the government recently tore up the representations made to this house by the present Minister of Justice two years ago when the foreign exchange control bill was introduced. What has been the best the government has been able to do? The best has been to offer quibbles through the Minister of Finance to try to find some minute distinction between a statement of the government

and an undertaking by the government. Apparently undertakings by the government have some greater validity than mere statements. Therefore we are on our guard in this chamber, that mere statements by members of the government, speaking with the full authority of the government, are not to be regarded by the house as binding on the government when it suits the government's purpose to ignore them.

When we are talking about the preservation of freedom in parliament let us be on our guard against the attempts that are being made under the guise of this delightful expression "planning" to foist socialism on this country, because the socialists find that the word "socialism" has not the appeal that they thought it had in 1933 and 1934, and so now they are calling it planning.

Well, planning is not all confined to the C.C.F. An exponent of planning is today a member of the government, the government leader in the senate. Speaking for the Liberal party on free time over the CBC, last August 6, Senator Wishart Robertson said this:

> My guess is that any future government in Canada, whatever its political complexion, will resort to some type of economic planning.

Mr. IRVINE: Hear, hear.

Mr. FLEMING: Of course the C.C.F. will applaud that; of course they will. It is right down their alley; and these vociferous people to your right, Mr. Speaker, who are applauding, are falling right into the hands of the C.C.F. Unfortunately they are so blind that they do not see they are on the slippery slide into socialism. They are just playing into the hands of the socialists, if only they could see it. They are the people who are contributing so much to the inroads of socialism in this country. Do not let anyone ever think that you can play fast and loose with this economic planning without risking the loss of individual freedom.

An hon. MEMBER: Oh nuts!

Mr. FLEMING: I will only remind some forgetful gentlemen down yonder of the words of Mr. Laski who was chairman of the executive of the British labour party and who not so many months ago expressed doubt—these are his words—"whether in a period of transition to socialism a labour government"—by which, of course, he meant a socialist government—"could risk the overthrow of its measures as a result of a general election." It is no historical accident that modern individual freedom, conceived in terms of our parliamentary institutions and the duty of parliament to stand as the guardian of the rights of the individual, has grown hand in hand with our modern system of free enterprise. You knock the props out from under any system of free enterprise and do not delude yourself that you can hold on to individual freedom; you cannot.

Mr. IRVINE: Down with the props.

Mr. FLEMING: In the amendment to the amendment there is the suggestion that the time has come to reimpose certain controls. Everyone who will be frank about this knows perfectly well that you cannot have an overall system of price control without controlling wages and salaries, and we of the Progressive Conservative party are absolutely, flatly and resolutely opposed to the state stepping in and putting ceilings on wages. We will fight that, and we are fighting against the sort of thing that is going on in the United Kingdom today in the form of direction of labour, the first time since parliamentary institutions and cabinet government came into effect in the old country that you have direction of labour in time of peace.

An hon. MEMBER: Everybody is working.

Mr. FLEMING: They are working, are they? Let anybody leave his employment who is not engaged in agriculture or coal mining today and where does he go? He has to go to a government bureau and they will put him in coal mining or agriculture. That is how the control over manpower is enforced. An Associated Press dispatch from London of October 3, which appeared in the Toronto *Globe and Mail* of October 4, says this:

> Directed labour must take jobs, Isaacs warns.
> Labour Minister Isaacs warned today that workers who become "sticky and nasty" when directed to a job under Britain's new manpower regulations would be told, "You will have this one, whether you like it or not."

Is that freedom? It is socialism.

Mr. MacINNIS: Did you ever hear of direction of labour under the Unemployment Insurance Act?

Mr. FLEMING: Anyone who has followed the tortuous course of the socialists, knows that those of the socialist creed are bound to regard the constitution of Canada, with its division of powers as between the dominion and the provinces, as a bar to socialism. That is why they are the sworn enemies of the federal system in this country. But they do not stop there. They regard the courts which are, of course, the interpreters of the constitution, the interpreters of the law of this country, as a bar to their aims. It is only natural that the Premier of Saskatchewan should have attacked the courts, as he did on January 14, complaining that these courts were

giving judgments adverse to the government of Saskatchewan. That kind of speech might well have been made by any fascist or any communist.

Mr. NICHOLSON: Read the speech.

Mr. FLEMING: The idea that the courts should be criticized was because, as the Premier of Saskatchewan said, "We have collided head-on with the courts." He criticized them as not having fought on the side of the government. He said that the government was fighting on the side of the people and they were running slam-bang against the courts all the time. Well he might run into the courts, because they are interpreting the laws of this country, although not to the liking of the executive branch of government in that province; interpreting the constitution, but not to the liking of the socialists in that province, and of course the socialists, in consequence, attacked the courts. The courts were the subject of the first attacks by the nazis in Germany.

Then there is the freedom of the press. The freedom of the press is the sort of thing that is a thorn in the side of the socialists, as you see them attacking it through the inquiry into the press of the old country today, and also on the part of those neo-socialists whom you find masquerading under Liberal colours.

Some hon. MEMBERS: Hear, hear.

Mr. FLEMING: Neo-socialists masquerading under the Liberal colours. That is why you were surprised, I am sure, at the dangers to the freedom of the press in this country when you learned that certain journalists were recently arrested in Ontario and carried west under the nose of the Minister of Justice, if you please.

Mr. MacINNIS: By socialists, I suppose.

Mr. FLEMING: Nothing was done about it by the minister.

It is only natural to expect, too, that the government that is tarred with the socialist brush and is seeking to perpetuate itself in office would bring the civil service into its political orbit. I tell you, Mr. Speaker, that this government has been using distinguished members of the diplomatic service and senior officers of the civil service to serve the ends of the Liberal party. I have before me a publication called "Politique." It is issued by the National Liberal Federation with headquarters at 172 Wellington street, Ottawa. The committee in charge is composed of Joseph A. Blanchette, a member of this house, Georges-E. Lapalme, M.P., Guy Roberge, M.P.P., Me. Leon Lalande, Me. Jean-Marie Nadeau.

We are told on the cover that this is a publication coming out four times a year, issued by the National Liberal Federation. Here is volume 1, No. 1, and what do we find? The very first article is entitled "L'Ame du Canada devant l'histoire", and this is written by Mr. Edmond Turcotte, who is described as consul general of Canada at Chicago. In this article—

Mr. ST. LAURENT: Does the hon. member assert that that was written after Mr. Turcotte was appointed consul general in Chicago?

Mr. FLEMING: Mr. Speaker, I am saying—

Mr. ST. LAURENT: Is he not aware that this manuscript was delivered before Mr. Turcotte was appointed?

Mr. FLEMING: This publication was published this winter, 1948. It is dated 1948.

An hon. MEMBER: Published, not written.

Mr. FLEMING: And the author of this article is described, as he then was, as consul general at Chicago. But that is not all.

Mr. ST. LAURENT: Is it a fact that the hon. member does not know that manuscript was prepared by Mr. Turcotte while he was still editor of the journal *Le Canada* in Montreal?

Mr. FLEMING: I am glad the Secretary of State for External Affairs has said what he has, because it reflects all the more seriously and shamefully on this Liberal federation that published it. If on the eve of this man's appointment to the diplomatic service of the country the Liberal federation got him to write such an article and then published the article after his appointment as consul general it is even more shameful.

And that is not all. This same party has other publications as well. Here we have one entitled "The Canadian Liberal," whatever that is. It is called "A Survey of National Affairs, volume 1 No. 2, winter 1948". It is also published by the National Liberal Federation with offices at 172 Wellington street in this city. The editorial advisory board consists of: Hon. Norman Lambert, Hon. Gray Turgeon, Hon. Charles Bishop, John Stirrett, K.C., H. E. Kidd, Esq., Mrs. Nancy Hodges, M.L.A., and J. Gordon Fogo, K.C. There is an article entitled "Jobs for All," written by Arthur MacNamara—not the leader of the band, but the deputy minister of labour, a senior civil servant—in a publication put out by the National Liberal Federation of Canada. This represents a shameful prostitution of the

civil service of the country. It is a shameful prostitution of the diplomatic service and the senior civil service of the country to serve the ends of the Liberal party.

I have not the time, Mr. Speaker, to go into some of the subjects that I wished to discuss. I should have liked to say something about the shameful record of the government in the matter of housing, the shameful breach of promises, the repudiation of promises by the government, great glowing promises on which they were elected in 1945. Now that these promises have served their purpose of getting the government elected, of course they repudiate them.

Take the treatment of veterans under the Veterans Land Act. I urge the new Minister of Veterans Affairs (Mr. Gregg), who has fallen heir to a sad legacy in that department in connection with the Veterans Land Act administration, to read the revelations of scandal in that administration, exposed in the public accounts committee last summer, which were debated in this house last July 16, beginning at page 5795 of *Hansard*—the exposure of a situation that is nothing short of a scandal in this country.

Of course the government saw fit to dispose of the director of the Veterans Land Act after the former minister of veterans affairs, Mr. Mackenzie, that night stood up and defended him to the hilt and said that the charges against him were so much twaddle. They fired him, and now the new director is saying, "The thing to do is to have the Veterans Land Act do a better job of public relations and tell our story to the people."

I have time to say two things in this regard. In this matter of telling the Canadian people, I hope the Veterans Land Act administration will strive to have a very much better record to put before the Canadian people than hitherto. Before they go out with a program of informing the public, I hope they will have a better story to tell; and, in the second place, I hope that if there is any semblance of a sense of fair play left in the government they will give the veterans who are affected the same opportunity of putting their story before the public.

The government denied us the reasonable request for a royal commission last year. They rejected it contemptuously. These veterans are clamouring for an opportunity to tell their story, and the reason they have not been given that opportunity is that the government has steadfastly and obstinately refused them the opportunity in the one way in which the veterans could have told their story, namely,

[Mr. Fleming.]

to a royal commission. It is a thousand shames to the government who have betrayed the veterans.

It is quite apparent that this government is falling apart. Of course we are coming closer to the national Liberal convention in August. Now here is the Minister of Finance having his department issue statements about this great current budget surplus of $750 million, and along comes another contender for the crown, the Minister of Agriculture (Mr. Gardiner), and punctures the balloon. He says, "Oh, well, that is not a real surplus at all. You have to take out all the loans we are making; we shall not be repaid these". And so, by that jab, he cuts that surplus by about $500 million. That was not a very kind thing for one rival candidate to do to another, was it, Mr. Speaker?

The Minister of Agriculture has been conducting quite a campaign. He has been running up and down the country discussing immigration, and in Toronto he said this:

> Canada should set its immigration objective at 500,000 a year and within ten years increase it to 1,000,000 a year. We can more than double our population in fifteen years.

And there was the Right Hon. Ian Mackenzie, who has now gone to his last resting place in the senate, who stated on October 3, in Toronto:

> We should aim for 25,000,000 immigrants in the next twenty-five years.

Apparently the Minister of Agriculture wishes to bring all the immigrants he can into this country, but there is the Minister of Trade and Commerce (Mr. Howe), and of other portfolios, saying at the same time, "How can Premier Drew do this sort of thing under our nose? It is an impossibility to bring in people in the way the Ontario government are doing." And there is the Minister of Mines and Resources (Mr. Glen) going all the way to Halifax today, looking over the steamer *Aquitania* to see if he can find room in her for a few immigrants.

This is the month of March, 1948, and the government is talking with such a variety of voices on the issue of immigration. This government is just falling apart. The leadership contest is on.

(Translation):

And now, I should like to say a few words in French, mother tongue of His Honour the Speaker, and that too of some ancestors of mine who were born in the beautiful province of Quebec.

The time has come when the Canadian parliament must readjust its thinking in keeping with sound Canadian principles. Nearly three years after the war the philosophy of dictatorship, which took hold on the federal government during the war, still prevails at Ottawa. Interference by the Ottawa bureaucrats with the affairs of the people has jeopardized the political rights and the economic future of Canadians.

Last November the Ottawa government, after sitting back idly for seventeen months and watching our supply of United States dollars melt away, announced measures so drastic and so dictatorial that they place all business in Canada at the mercy of the government. One minister wields more power than has been possessed by any man in the history of this country. He may grant import licences to some and refuse them to others. He has been given the power to bring businesses to ruin with the complete loss of the life's savings of many small businessmen.

The Progressive Conservative party says that no such vast powers should be given to any government or any minister. The Canadian parliament should be ashamed to abdicate in favour of a dictatorship.

The government announced heavy new taxes in a radio broadcast made by the Minister of Finance last November 17. He did so without any authority from parliament. Only parliament has the right to authorize the levying of taxes. The government at Ottawa has defied parliament and torn the constitution into ribbons.

This is the same government which is so ready to over-ride the constitutional powers of the provinces and to centralize more and more power and authority at Ottawa at the expense of the provinces. The Progressive Conservative party has consistently and resolutely opposed this centralizing movement, for it is a direct challenge to the freedoms of the Canadian people. If these trends under the present Liberal government toward dictatorship, toward abrogation of the rights of parliament, toward the imposition of taxes without authority of parliament, toward centralization of power at the expense of the provinces, toward the reduction of the constitution to a scrap of paper—if these trends continue they can result sooner or later only in a socialistic tyranny. The Progressive Conservative party will fight these trends without compromise and I am confident it will in the end win its battle.

(Text):

In a word, Mr. Speaker, this government has been in office too long. It has forgotten to be responsible to parliament; it has forgotten to be responsible to the people of Canada. Its attitude toward the people today is, "Well, don't we rule them?"

There is only one way of settling this issue; that is, to leave it to the people of Canada. This government has allowed three constituencies to remain without representation. Why? Is the weather adverse again, as it was last year? We are not asking simply that there be by-elections in those three constituencies to permit them to be represented in this house. Our challenge to this government is to let this issue go to the people in a general election at once.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, it is expected that in a few minutes we shall be asked to record our vote on the immediate question before us. I am rising now to take just a moment of the time of the house to state the position we find it necessary to take in connection with the amendment to the amendment.

The main motion before the house is the motion always moved at the opening of a parliament, on behalf of the government; a motion to approve the policies and administration of the government. This party moved an amendment to that motion, which reads:

> We respectfully submit to Your Excellency that Your Excellency's advisers do not possess the confidence of the Canadian people.

To that amendment a further amendment was moved by the leader of the C.C.F. party (Mr. Coldwell), in these words:

> This house regrets that Your Excellency's advisers have failed to use the powers provided by parliament to control prices, and by their actions have caused alarming increases in the cost of living and a dangerous lowering of the living standards of the Canadian people.

Under our procedure the amendment to the amendment must be voted upon first. That is the first motion upon which we shall be asked to record our votes. With respect to this amendment I want to say that if one word in it had been altered this party could have supported it wholeheartedly. That is the word "prices" in the third line. If instead of "control prices" the amendment had said "control inflation" we could have supported it. That is, if it had read:

> This house regrets that Your Excellency's advisers have failed to use the powers provided by parliament to control inflation . . .

If it had read in that way we could have supported it. But, as the amendment to the amendment now reads, while it expresses the views of the members of the party whose leader moved it—and I respect them for the views they hold—it carries the implication that by controlling prices—to use an example, by controlling prices of farm products at a time when costs of production are not controlled—we could thus keep down the cost of living. We cannot subscribe to that thesis. We supported price control during the period of the war, as everyone else in this house supported it, at a time when the whole economy was controlled. We believe that price control can be made to function when the whole economy is controlled and regimented as it is or may be in some other countries. But we do not believe that prices of farm products can be controlled by freezing them at the top and then letting costs of production go up; and we would not be frank with the house, with the public or with our own convictions, if we said anything different.

I am going to bring at this time only two pieces of evidence with respect to the position we take. One of them comes from a report of a decision of what is perhaps the most realistic socialistic government of which we in this country are aware, namely the British government. The other is the position taken by one of the greatest and most enlightened organizations of workers on this continent, the American Federation of Labor.

First, I should like to read just three or four sentences from a radio speech by Matthew Halton, delivered two or three days ago. Speaking of conditions in the British isles, he said:

> During the last ten days in Great Britain we've seen a political phenomenon. We've seen a Labour government pegging the level of wages, and Socialist M.P.'s asking for longer hours.

The next sentence is not essential, but I shall read it so that there will be no omission. He states:

> If a Tory government had done this there'd have been uproar in the country and probably a great wave of strikes.

Then he goes on to say:

> In the last ten days Britain has decided to peg not only wages, but also profits, and the prices of all goods in the shops. It's a drastic step in the fight for economic survival. Britain's fighting for her life; and the immediate enemy is inflation.

I have read that extract only because the British government, which we all respect, and with which we sympathize in its economic problems, has said that it cannot control the cost of living by controlling prices alone, without controlling costs.

The other bit of evidence comes from the American Federation of Labor. I shall quote this brief extract from the monthly survey for January of that great labour organization:

> Price control cannot dam an ever-growing flood of money inflation. This has been proved again and again, in country after country. We must attack the root cause of inflation, the excess money supply.

We have had, Mr. Speaker, a long, interesting and, I am sure, informative debate on the speech from the throne. I arose only to say why we cannot support the amendment to the amendment. The only new light brought to bear upon it was the experience of the socialist government in Great Britain where, to meet their problem, they have used not only price controls but wage controls as well. I have quoted, too, from one of the leading labour organizations in the world, an extract in which it states that price controls alone will not cure the difficulty we are facing.

For these reasons we consider it necessary to vote against the amendment to the amendment.

Mr. MacINNIS: Before the leader of the opposition takes his seat, I should like to ask a question. In order that I might know, and so as to clarify my mind, do I understand that the leader of the opposition and his party are opposed to all price controls, rent controls and all those things?

Mr. BRACKEN: I did not say anything of the kind.

Mr. MacINNIS: Make clear what you are opposed to.

Mr. BRACKEN: I am opposed—

Mr. MacINNIS: Everybody wants to know what you stand for.

Mr. BRACKEN: I am talking about the amendment to the amendment moved by the leader of the party to which the hon. member belongs. I am dealing with that, and dealing with that alone. That amendment to the amendment reads:

> This house regrets that Your Excellency's advisers have failed to use the powers provided by parliament to control prices . . .

What I have said is this, that price controls alone, in an economy which is not fully controlled, will not accomplish even what my hon. friend wants it to accomplish. That is our view. His view is different.

I have produced two pieces of evidence to bear out my contention. One of them comes from the party which enjoys the respect and support of the hon. member and his friends; and the other is from the greatest labour organization on this continent.

Mr. MacINNIS: I thank the hon. member for answering my question. I understand that the Progressive Conservative party is opposed to all controls.

Mr. BRACKEN: That may be the hon. member's understanding; but, if it is, then his understanding is very faulty.

The house divided on the amendment to the amendment (Mr. Coldwell) which was negatived on the following division:

YEAS

Messrs:

Archibald
Argue
Bentley
Blackmore
Bowerman
Bryce
Burton
Campbell
Castleden
Coldwell
Fair
Gillis
Hamel
Hansell
Hlynka
Irvine
Jaenicke
Johnston
Knight
Knowles
Low
McCuaig
McCullough (Assiniboia)
MacInnis
McKay
Marshall
Matthews (Kootenay East)
Moore
Nicholson
Probe
Quelch
Raymond (Beauharnois-Laprairie)
Shaw
Strum, Mrs.
Thatcher
Townley-Smith
Wright
Wylie—38.

NAYS

Messrs:

Abbott
Adamson
Arsenault
Ashby
Baker
Barrett
Beaudoin
Belzile
Benidickson
Bertrand (Laurier)
Bertrand (Prescott)
Bertrand (Terrebonne)
Black (Chateauguay-Huntingdon)
Black (Cumberland)
Black (Yukon)
Blair
Blanchette
Boivin
Bonnier
Boucher
Bourget
Bracken
Bradette
Bradshaw
Breithaupt
Brooks
Brown
Brunelle
Caouette
Cardiff
Case
Casselman
Charlton
Chevrier
Church
Cleaver
Cloutier
Cockeram
Coté (Matapedia-Matane)
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cournoyer
Coyle
Daniel
Dechene
Denis
Dickey
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Douglas
Drope
Dubois
Emmerson
Eudes
Ferguson
Fleming
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fraser
Fulton
Gardiner
Gariépy
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gibson (Hamilton West)
Gingues
Gladstone
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Graydon
Green
Gregg
Hackett
Hallé
Harkness
Harris (Danforth)
Harris (Grey-Bruce)
Hartt
Hatfield
Hazen
Healy
Henderson
Héon
Hodgson
Howe
Ilsley
Isnor
Jackman
Jean
Jutras
King, Mackenzie
Kirk
Lacombe
LaCroix
Lafontaine
Lalonde
Langlois
Lapalme
Lapointe
Laurendeau
Leger
Lennard
Lesage
Little
Lockhart
McCann
McCulloch (Pictou)
Macdonald (Brantford City)
Macdonnell (Muskoka-Ontario)
McIlraith
McIvor
MacLean
McLure
McMaster
MacNaught
MacNicol
Maloney
Manross
Marier
Marquis
Martin
Massey
Matthews (Brandon)
Maybank
Mayhew
Menary
Merritt
Michaud
Miller
Mitchell
Mullins
Murphy
Mutch
Nixon
Parent
Pearkes
Picard
Pinard
Pouliot
Power
Raymond (Wright)
Reid
Richard (Gloucester)
Richard (Ottawa East)
Robinson (Bruce)
Ross (Hamilton East)
Ross (St. Paul's)
Ross (Souris)
St. Laurent
Sinclair
Sinnott
Skey
Smith (Calgary West)
Smith (York North)
Stanfield
Stephenson
Stuart (Charlotte)
Stokes
Tremblay
Tucker
Tustin
Viau
Warren
Webb
Weir
White (Hastings-Peterborough)
Whitman
Winkler
Winters—173.

Mr. HERRIDGE: I was paired with the hon. member for Algoma East (Mr. Farquhar) owing to the fact that he is ill. Had I voted, I would have supported the amendment to the amendment.

(Translation):

Mr. GAGNON: I was paired with the hon. member for Parry Sound (Mr. McDonald). That is why I did not vote.

An hon. MEMBER: How would you have voted?

Mr. GAGNON: According to my own will.

(Text):

Mr. F. D. SHAW (Red Deer): Mr. Speaker, now that the subamendment has been disposed of, there are certain observations which I should like to make. I am not completely oblivious of the mournful dirge we have had from quarters opposite, but I should like to remind hon. gentlemen over there that many of them have participated in this debate and a number of them have extolled the virtues of such a debate, laying particular emphasis upon the fact that it provides a general opportunity for all hon. members to participate, and it also points the way for bringing in of, and the consideration of, a wide variety of subjects. All I am doing now is taking advantage of the opportunity which they have reminded me is open to me.

It was just three months ago that hon. members first became acquainted with the contents of the speech from the throne. It is my earnest conviction that, had we been able to debate the speech in December we could have disposed of it upon that occasion. What we actually did was in my estimation utterly to waste a period of two weeks. No doubt those responsible for the procedure which was adopted on that occasion have learned a lesson, and undoubtedly there will be no recurrence of such a practice.

Much has taken place since last December 8. However, little has occurred to change certain convictions which I established in my own mind at that time. In fact, as a consequence of certain developments during the past three months, I am more thoroughly convinced than ever before of certain facts which I laid down at that time. Speaking in this house on December 9, the leader of this group (Mr. Low) asserted that there existed widespread dismay in Canada as a consequence of skyrocketing living costs. I should like to emphasize, and I believe it is quite clear to all, that, despite certain actions which have taken place since that time, one, the establishment of the prices committee, the developments have served only to heighten and intensify that feeeling of dismay to which he referred.

Only today it came to my attention through the medium of the press that the cost of living index has now reached the very high figure of 150·1 points; that is, as of February 2, 1948. According to the dominion statistician, the increase in the index in the month of January was 1·8 points. It was pointed out in the reports that we are now just within half a point of the all-time high established during the so-called inflationary period following world war I. I should say, in passing, that this index is determined by using the base period 1935 to 1939 as 100.

A thought which has passed through my mind is this. Within a very few days, if not at the present time, the cost of living index will have exceeded the all-time high following the first world war. At that time what will certain hon. members opposite have to say, because frequently they have emphasized the fact that, even though conditions may be a bit bad, we have not yet reached the condition resulting from the Conservative party which was in power at the end of the first great war? There will be some red faces on the other side within a very very short time.

I cannot help but marvel at the way in which certain government members rise to their feet and endeavour to varnish over so many things which are so completely obvious to the Canadian people. It is a sort of political clear varnish which our Canadian people are quite capable of seeing through. It is true, and I shall give credit where credit is due, that certain government members have been impressed by the general public reaction and have risen to their feet in this house and in a mild sort of way, it is true, criticized the government because of certain conditions which it has permitted to develop. The odd one of independent complexion, as it were, has displayed a bit more boldness in his criticism of government policy.

When the throne speech was debated in December the leader of this group emphasized that, among those who have been hit so hard because of prevailing conditions, are our old age pensioners and our widowed mothers. Can it be argued by anyone that these persons find the misery of their day-to-day existence any less severe than it was in December? In fact the figures which I have already given with respect to the increase in the cost of living would indicate that they are suffering much more at the present time than they did when the hon. member for Peace River was speaking. I would say further, respecting the aged, it is obvious that minor concessions, if concessions they were, of 1947 have already been gobbled up by the intensified whirlwind of cost increases. We recall that last year they did permit the single old age pension recipient to have a total income of, I believe it was

$625 a year; that is, including pension, and the married recipient to enjoy as it were a total income of $1,080 a year. On top of that I realize that there were quite a few thousands who were able to secure old age pension for the first time, but I am sure that the Minister of National Health and Welfare (Mr. Martin) would be the first to agree with me that these benefits acquired last year have completely disappeared as a consequence of the change in living costs.

Still struggling in this country and still hopeful, but rapidly losing hope, are those who have not yet reached the eligibility age. It need not be emphasized that one within this country must attain the age of seventy years before becoming eligible; but it is also becoming increasingly more obvious that those between sixty and seventy years of age are finding the struggle much more grim as each day passes. We have observed the number of persons within Canada drawing unemployment insurance benefits. We have examined the statistics indicating unemployment among able-bodied persons within Canada. How then can it be expected that those between sixty and seventy years of age are able to go out and compete in the labour market with the many physically fit unemployed today who are drawing the unemployment insurance benefits? In fact, among these persons we find a losing of faith, as I say, if faith they ever had.

The hon. member for Acadia (Mr. Quelch) made reference to another class of persons to whom I had intended referring anyway, but I am glad he did. I should like to emphasize the point he made. I refer to non-pensionable medically—perhaps I should say physically—disabled individuals. We have them within all age groups, persons who find it utterly impossible to leave home and search for employment, much less able to take such employment were it to be found. I suggest that those persons be eligible for the same pension that is made available to the blind today, because one who is totally incapacitated physically is certainly no better able even at the age of twenty-one years, to procure his living than is a blind person. Moreover, such persons should not be subjected to the humiliation of public relief.

During the last year I have received quite a number of personal and pitiful letters from such persons. True, they are proud. They worked during the years in which they could; but today, because of that incapacitation, they find themselves utterly deprived of the opportunity of procuring a living.

We have also laid stress upon the white-collar worker, the man in unorganized labour who is witnessing an ever-shrinking pay cheque, with a corresponding decline in his living standards. His cry could well be, "How long, O Lord, how long." It is not a matter of doubt at all that within these groups we do find a great deal of hardship.

I should like to digress for a moment. I have referred to the disabled, and naturally the question of health comes to my mind. In dealing with health, I should like to refer to a newspaper report that appeared this afternoon. I am dealing with this because two years ago I had occasion to bring the same matter before the house, and, second, because the need within Canada of extended medical service is so great that every consideration must be given to an extension of these services. This article, appearing in the *Journal* of this afternoon, refers to the fact that refugee doctors are not eligible to enter Canada as such and are not recognized as being qualified either to practice medicine or to engage in surgery within the country.

When I spoke on this matter a couple of years ago I asserted in strong language that we had within our country many fully qualified medical men who had entered Canada either shortly before or immediately after the outbreak of the war, graduates of some of the most outstanding universities on the continent of Europe, and yet they were being forced to do clerical work in government offices in this city at a time when we were short more than 2,000 doctors, at a time when so many of our doctors were in the armed services. I thought it was a tragic thing and I pleaded with the government. I did not ask that these persons should be able to practise without an examination here; I fully recognized that this would be most essential. But here is the situation today. It is a fact that we are short 2,000 doctors in this country. I would say that, in order to establish a minimum of medical services, we need that many more doctors.

The prospective number of graduates from our medical schools cannot possibly meet the demand within a number of years. Then, of course, we find, as I have said on previous occasions, that our medical schools are making it more and more difficult for our students to take medical courses within our universities. I have in mind certain specific cases where, after long months of fighting, brilliant students have been permitted to enter university and forced to take two years pre-medical or science courses, and are told point-blank that, no matter where they stand in their studies at the end of two years, they cannot be guaranteed that they will be permitted to carry on and secure a degree.

I should like to point out what is stated in this report. I make the qualifying statement that these are not necessarily all facts contained in the report; but, whether they are or not, the onus is on the Minister of National Health and Welfare and the Minister of Mines and Resources (Mr. Glen), who is in charge of immigration, to do some explaining. It is said there are many applications from European doctors, refugees who desire to come to Canada, naturally as medical men under that category. In the report it is stated that, after a survey made with the various medical associations in Canada, it was decided that these persons cannot be accepted. Now the first thought that comes to mind is this.

Mr. MARTIN: What is that report?

Mr. SHAW: This report is based on a statement given today by the commissioner of immigration, C. E. S. Smith, to the *Journal*. It is stated that the medical associations were consulted and, as a consequence, the doctors cannot be accepted. It is said that notwithstanding the degree of training or the fact that they may have been specialists in certain fields, they still lack the qualifications required to practise in Canada.

I say, Mr. Speaker, that such an assertion as that strikes me as being particularly queer, knowing what I know about certain universities in Europe.

Mr. MARTIN: I am sure the hon. gentleman does not wish to convey the impression that the federal government has any power to allow any individual to practise medicine. That lies within the jurisdiction of the provincial authorities.

Mr. SHAW: I am conscious of that fact, but I am also conscious of the fact that immigration is federal; it is the federal authorities who lay down the categories of persons who are admissible under the act, and the commissioner states that they are not eligible as admissible persons if they are categorized as doctors.

Mr. JOHNSTON: And that is federal.

Mr. SHAW: I realize that when it comes to the licensing of doctors—I have stated that I expect them to write their examinations—it falls within provincial jurisdiction. But the thing I am wondering about is this. On what did they base their evidence that the graduates of these European medical schools have not the qualifications to make them eligible to practise in Canada? I happen to know a little bit about the history of medical schools in Europe, and I know it is the great ambition of medical men to take post-graduate work in Europe at some of those most outstanding universities, and, I will even go so far as to say, some of the German pre-war university courses that were given there.

The thing I am concerned about is this. Is the Canadian Medical Association laying down regulations to the Canadian government with respect to the admission of medical doctors to this country. If they are—and I suspect that is the case—I issue this warning to them, that if they wish to escape the charge of operating one of the most vicious closed shops in this country, or any other, then they had better change their attitude toward medical men from other countries. Moreover, if they value their personal freedom, and if they desire to escape what is taking place in England today, about which so many of them are complaining, then I warn them to change their attitude toward these immigrant doctors. If they want to retain their prestige and escape the wrathful indignation of the Canadian people they had better change their attitude. I realize that if tomorrow the Minister of National Health and Welfare were able to enter into an agreement with all the provincial governments of Canada for the purpose of establishing any kind of medical scheme, hospital scheme or general health scheme, one of the first problems with which they would be confronted would be the availability of doctors within this country.

Mr. MARTIN: I just want to tell my hon. friend that the report to which he now refers comes to my attention for the first time, and I shall look into the matter at once.

Mr. SHAW: Then I shall leave it at that point. Certainly I hope the report is not correct, because I know what the reaction of the Canadian people would be to it. Possibly I should say I shall leave the matter until another time, but I assure the Minister of National Health and Welfare I do not intend to permit it to be dropped. He has given me the assurance that he will check it.

Mr. MARTIN: What page of the Ottawa *Journal* is it on?

Mr. SHAW: It is on page 16 of the five o'clock edition of today.

To add to the difficulties confronting the Canadian people as a consequence of low incomes in many groups together with high costs, we have the ever-present question of taxes, both income and indirect, of which we have always said the indirect taxes were the most soul-destroying. Of the two classes of taxation, direct and indirect, undoubtedly the greatest single factor entering into increased living costs are the indirect taxes, which have been referred to as the sales tax, as a hidden tax which includes sales tax as well as certain

turnover taxes and processing taxes, but which is certainly the most damaging of all. It did not escape me yesterday that the hon. member for Kings (Mr. Grant) made a plea to the government to abolish the sales tax. I admire the courage he showed in standing up and practically demanding that the government take this action. It has been emphasized that the government of Canada are siphoning off more than a billion dollars a year through these indirect taxes. They are taking money out of the pockets of old age pensioners, of the blind, of the incapacitated; they are taking it from the widowed mother and from the low-salaried worker, by virtue of the fact that these taxes are wrapped up in the prices of commodities these people must purchase. Of course I include also the veterans in this category. It was a former Liberal minister of finance who, in condemning the Conservative government for raising the sales tax—I will not say I am quoting him verbatim, but this was the general tenor of his observations in the thirties—said: "It involves the imposition of every kind of tax in whatever way the wit of man can devise". Further, he referred to the cumulative effect of the tax, and emphasized the fact that the deeper one goes into this indirect tax, the more one explores the tangle it creates, the more complex that tangle becomes. It is deadening as it applies to the consumer; there is no question about that. It is even worse when applied to the machinery which goes into industry as capital goods, because there you find it charged on the new price; you find it charged every time the machinery moves from one owner to another and, as I say, in its cumulative effect it is most deadening on industry. As the hon. member for Acadia pointed out, any deadening effect an action has upon industry retards the production which is so essential at this time.

I have gone back through the records of the late twenties and early thirties. I have read some of the Liberal speeches with respect to indirect taxes, specifically the sales tax. I found that by 1929 the Liberals had reduced it from four per cent to one per cent. Of course there was an election coming up the following year. They were very proud of the fact that they had brought about this reduction and, believe me, they made it known to all the people of Canada. Then the Conservatives came into power in 1930, when times were a bit difficult. I sometimes wish the Liberals had had to conduct the affairs of state during that period; probably they would not make some of the statements we hear so frequently today with respect to the government of that time. In any event, the Conservatives found it necessary to increase the sales tax from one per cent to four per cent and, as we sometimes say in a crude sort of way, the opposition, the Liberal party of that day endeavoured to take their hide off as a result.

What is the situation today? I should add this, perhaps. Mr. Ralston, as financial critic of the opposition of that day, said, with respect to the sales tax, "It is a detriment to trade. It is a brake on the wheels of industry." Then he went on to say that it was the men and women who were hard pressed to make ends meet who had to pay the tax. Yet we have seen that sales tax more than doubled from 1935 to the present time, and that, of course, under a Liberal administration which is collecting six times more than was ever collected before through the medium of that tax. In six years the records reveal that the revenue has increased some thirty times over, while at the present time the national income has increased by approximately three times. We in this group have asked for the tabling of prices of certain stable commodities in this country, showing the indirect tax content. One or two speakers from this group have stated that this information would startle the people of this country. It has been pointed out that this has been done in the British House of Commons, and we feel that it should be done here also.

On December 8, during the course of his speech, the hon. member for Peace River charged that the government's livestock policy had been little less than a national calamity. He urged the stabilization of farm income and stabilization of farm outgo. The need for that is just as great today as it was last December. In the course of his observations, the hon. member for Edmonton East (Mr. Ashby) indicated the disastrous effect the policy of the government had upon the livestock industry. Coming as I do from a constituency predominantly agricultural in character, of which the raising of livestock is perhaps the backbone, I have witnessed the dissemination of basic herds as a result of government policy. When the hon. member for Edmonton East stated that during the four-year period from 1943 to 1947 the number of hogs in this country declined by 2,675,000, I was completely shocked; and when he advised us that during 1947 some 300,000 brood sows were sent to market to be butchered, I was further staggered. The Minister of Agriculture (Mr. Gardiner) may state that certain corrections have been made, but I emphasize that irreparable damage was done at that time, and it will take years to recover, if ever we are able to do so. In other words, the institution of a policy such as that of last fall, and then some effort to right it in January, 1948, is very much the same as deliberately breaking a man's

leg and then offering him crutches to walk with, if he can get to the point where the crutches are. I think it is most serious. This led up to the assertion made by the hon. member for Peace River, that the government has shamefully mismanaged the economy of this country. We concur absolutely in his observation.

We have taken the firm stand that the government, in the first place, cannot justify the continued high rate of income tax. More important than that, we have repeatedly asserted that the exemptions for married and single persons are much too low. With the war over, with living costs as they are, and with the government surplus what it is today, steps should be, and I think must be taken, to exempt from income tax in respect of married persons to the extent of the first $2,400, and in respect of single persons to the extent of the first $1,500, these to be progressively increased to $3,000 and $2,000.

Because of the facts outlined, and other facts which hon. members of this group have outlined in their speeches, I desire to move, seconded by the hon. member for Wetaskiwin (Mr. Jaques) the following amendment to the amendment:

That all words after the word "advisers" be struck out, and that the following be substituted therefor:
"should have given assurance to this house that legislation would be submitted during the present session, whereby the following results would be achieved, as a contribution towards meeting the crisis in living costs, and towards stabilizing the Canadian economy:

(a) Exemption from income tax on incomes of married persons of $2,400 and less, and of single persons of $1,500; these to be progressively increased to $3,000 and $2,000 as production increases in relation to demand.

(b) Elimination of the sales tax, and substantial reduction in excise, processing and all other hidden and nuisance taxes.

(c) Substantial increases in family allowances; increases in old age pensions, together with elimination of the means test and a reduction in the pensionable age.

(d) Adequate provision for all disabled adults.

(e) Selective subsidies, especially on food products and necessities of living."

I should like to add to what I have already said that we do not regard this amendment as a want of confidence motion. The electors of Canada are asking for these results contained in our subamendment. I believe hon. members recognize that they are desirable. Therefore hon. members should not permit themselves to be placed in the position where they declare themselves as opposed to the results for which their electors are clamouring.

Acceptance by the house of this amendment should not be interpreted as a triumph for the Social Credit group. Rather should it be looked upon as a victory for the principle that the vote of each member should reflect the will of his electors.

Especially should this be the case since the results outlined are entirely possible. They all may be achieved through the application of social credit principles. But I would emphasize this fact that if any other member can find or propose a better method of achieving them, let him submit it to the house.

No matter what the method, the fact remains that Canada's resources in men and materials are adequate to produce these results. Since they are physically possible and desirable, they can be made financially possible.

Mr. NORMAN JAQUES (Wetaskiwin): Mr. Speaker, I shall be as brief as possible. First of all, I should like to associate myself with the remarks of the previous speaker. I think the amendment he has moved is so obviously desirable and was put so well by the hon. member for Red Deer (Mr. Shaw) that it needs no further words of mine to commend it to the house.

However, there are a few subjects I wish to touch upon as briefly as possible. First of all, I should like to refer for a moment to two public servants who were recently, according to the press, removed from office in Alberta. Of course this is neither the time nor the place to indulge in political recrimination. I merely desire to say that both these public servants have been among my intimate friends for a number of years. I would not say anything at the present time were it not for the fact that the incident has received considerable publicity in the press. I merely wish to say that it would be impossible to find two more honourable men or two more faithful public servants. I believe each of them has sacrificed $6,000 a year for his principles. They could have retained office, but rather than compromise on their principles they sacrificed their jobs and emoluments. Such action is not too common in these days; and were there more men of that character in public service in the world today, I venture to say the world would not be in such peril as it is in at the present time.

Mention has been made recently of the Hong Kong affair. I am not going to bring that subject up, but I wish merely to say that, instead of digging up this corpse, we might be better employed in discussing the question of whether we may not be creating a greater Hong Kong in Palestine.

On February 17, on the orders of the day, the leader of the C.C.F. (Mr. Coldwell) asked

a question of the Secretary of State for External Affairs (Mr. St. Laurent). The hon. member's question was as follows:

In view of the grave warning made by the Palestine commission to the security council yesterday that "a tragic and dangerous precedent" will be established if force or the threat of force is allowed to thwart the decision of the united nations, is the government prepared to accept its share of responsibility in such action as may be taken by the security council with a view to averting further bloodshed in Palestine and implementing the assembly decision?

The reply of the minister was as follows:

I listened with care to the question the hon. member has just put, because it was not quite in the terms of the notice I was handed just before I came into the house. In answer I can only state that Canada accepted full responsibility under the charter of the united nations and has at all times been pressing to have all the organs of the united nations set up in accordance with the charter and in such a manner as to make the charter fully effective. There is no intention of not complying with the requirements both of the letter and of the spirit of the charter.

I have read that reply a great many times and I am none the wiser. I do not know what it means and I am quite sure that people who have read it do not know what it means. What I should like to know, and what I think the people of Canada would like to know is just to what we are committed in Palestine through the united nations. It is true that the united nations was supported in this house, but surely it was on the understanding that it meant peace, not war. I think it is realized by more and more people that we are starting out on a path which may lead to war, not a local war but a world war.

I submit that the Canadian people have not been told much, if anything, about the Palestine question. I find it impossible to get the truth over to the people. The other day I made a speech on Palestine and I think it was a very fair presentation, but it received no notice whatever in the press. I made a record of a broadcast which was based on my speech and the broadcasting station in Edmonton refused to broadcast it. The other day, I think it was Sunday, I was listening to a CBC commentator. He remarked that he could find only two statements on external affairs that had been made in this house, one by the hon. member for Spadina (Mr. Croll) and the other by the hon. member for Peel (Mr. Graydon). He must have seen my speech had he looked. I am pretty sure that the reason he did not mention it is that I did not speak in favour of political zionism and of partition.

I may say that on each occasion that I have been down on the speakers' list this session the hon. member for Cartier (Mr. Hartt) has come over to this side and threatened me if I dared to speak on Palestine. That is true not only in this house but all over the country. How many men, how many members, how many public men and servants have attended dinners given by the Canadian Arab friendship league? I have attended two or three myself, and I know that on those occasions the key citizens in the city where the dinner took place were invited but practically none attended. They told me afterward that they did not attend because they were afraid of the smear of anti-Semitism. That is true and it is time the Canadian people understood it.

I should like to refer briefly to Czechoslovakia. I am not going into that matter in detail; I mention it merely as proof of the threat of communism, not only in Europe but on this side of the Atlantic. I should like to know what is being done in Canada to offset that threat. Just recently a Doctor Condon was exposed by the congressional committee on un-American activities. The report of that committee states that his is not an isolated case. These people are everywhere. So far as I can learn, they always get the best and most responsible jobs. In fact I will go as far as to say that in the united nations and in the departments of the secretary of state and of external affairs to be a fellow traveller is almost the *sine qua non* of securing a really good job. I remember reading some time ago that the department of state of the United States had been combed and over 800 communists removed from their jobs. Of those 800, 200 were not even citizens of the United States. I should like to know how they secured those jobs.

This country is no exception. The government has information if it wishes to use it. I am not saying that in these days it is illegal to be a communist or a fellow traveller, because I know it is not, but I do say that men who are known to have records of communistic association have no business occupying responsible jobs in this government or in any other government which is free and which hopes to remain free.

I should like to see set up in this parliament a committee on un-Canadian activities, just as they have a committee on un-American activities across the line, which has done very useful work and no doubt will do more useful work in the future. If we are to preserve our freedom I say that will have to be done, and these communists and others who are working to destroy our freedom must be put in places where they can do no harm.

What is communism but international socialism? I came across a quotation from Mr. Attlee in October, 1934, in these words:

We—

I suppose that is the socialist party of Great Britain.

—have absolutely abandoned any idea—

Mr. GILLIS: Is the hon. member quoting the hon. member for Vancouver East (Mr. MacInnis)?

Mr. JAQUES: No, I am quoting the present Prime Minister of Great Britain, the Right Hon. Clement Attlee, who said in October, 1934, according to the information I have:

We have absolutely abandoned any idea of national loyalty and we are deliberately putting a world order before loyalty to our own country.

When that doctrine is preached, how can you expect people to have loyalty to their own country? Does it not open the door to the international socialist or communism? Was that not exactly one of the reasons given by the royal commission on espionage for the behaviour of Canadians who seemed to think they owed a higher loyalty to international communism than they did to their own country of Canada, in spite of the fact that they were in highly paid positions of responsibility.

I think hon. members will credit me with not talking politics.

I do not think hon. members can say that I am politically biased. I seldom, in fact I never criticize any party for political reasons, so what I am going to say now I am not saying by way of political criticism. May I ask hon. members opposite who, I know very well, are not in favour of socialism this question: Do they realize that the economists employed by this government, by your government, in the work of economic reconstruction were trained in the London School of Economics? And may I impress upon their minds that the London School of Economics was founded for one purpose only. It was founded by the Fabian socialists—

An hon. MEMBER: They were not socialists then.

Mr. JAQUES: Oh yes, and they are headed where all Marxian socialism ends, namely, in the totalitarian state.

Mr. MARQUIS: All the members on this side are against socialism.

Mr. JAQUES: That is what I said, and I am quite willing to believe that. I am only pointing out that you Liberals are being led down the path by expert economists who have been trained in the London School of Economics, which was founded by the socialists of Great Britain about 1870 and was endowed with a million pounds sterling by Sir Ernest Cassel, who, when asked why he gave that sum to that institution, said: "It is to train the bureaucrats of the future world socialist state." That is worthy of the consideration of all Liberals, because I am sure that all true Liberals believe in freedom.

One word about San Francisco. It came to my notice the other day—and this is an illustration of the amazing things that happen today—that the speeches of Mr. Stettinius, then secretary of state of the United States, at the San Francisco conference were written by a man named Dalton Trumbo, who has been exposed by the committee on un-American activities as a communist. Can you beat that? And that is true. There was the secretary of state of the United States making speeches that were written by a communist.

I should like to quote from a little book on Czechoslovakia, which was written some years ago. It is easy to be wise after the event, but, as I say, this book was written some two or three years ago, and it deals with the part which Mr. Benes has played in the disaster which has now overtaken that age-old democracy. It says:

But Mr. Benes had undergone a subtle transformation. In place of being a mediator for the Soviets in his capacity as Foreign Minister of Czechoslovakia, he had become, as an emigree, a Soviet agent. His "Czechoslovak Liberation Movement" was simply a camouflage for an impudent communist conspiracy against the west. The British relief committee for Czechoslovak refugees, which was operating in Poland from the time of the nazi occupation of Prague (15th March, 1939) to the outbreak of the war (1st September, 1939), was headed by an American communist named Field, and was composed of the following prominent members of the Czechoslovak communist party: Comrades Jonas, Zmrhal, Spurny, Novy, Fich, Frichl, and Kahan.

An hon. MEMBER: Take them as read.

Mr. GILLIS: You are not doing so bad at it.

Mr. JAQUES: I continue:

They concealed their true character behind their chairman, Mr. Bernasek, who formerly belonged to Benes's socialist party. This committee sent some thousands of unpolitical Jewish refugees to Great Britain and the U.S.A., but they were merely the necessary cover under which were also sent hundreds of agents of the Third International, all of whom had been provided with Czechoslovak passports.

Mr. GILLIS: What is the hon. member quoting from?

Mr. JAQUES:

As the first Czechoslovak "Martyrs of Democracy"—

Mr. GILLIS: Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. GILLIS: I would suggest that the hon. member should tell us what he is quoting from.

Mr. JAQUES: I can do that if I can pronounce the name. I am quoting from a little booklet called, "The Protectorate of Czechoslovakia", by Vladimir Lezak-Borin.

Mr. THATCHER: Now, do you know?

Mr. JAQUES: I continue:

As the first Czechoslovak "Martyrs of Democracy" they soon found niches for themselves in Britain and America as expert advisers to various liberal and conservative elements, and to the press and radio corporations in both countries. They wheedled their way into the British and American intelligence services. They penetrated everywhere.

Yet not one single Czech or Slovak political refugee received the slightest assistance from the British relief committee for Czechoslovak refugees; and when a few of them reached Great Britain after the collapse of France, they were immediately interned by the British authorities, following false denunciations made by Benes' confederates that they were pro-nazi.

How many men have been murdered or liquidated?

Mr. GILLIS: Mr. Speaker, I should like to make it clear that for the last fifteen minutes the hon. member has been quoting from a document which he has read into the record, and it would appear to anyone reading the record that it was his own opinion. It is not his own opinion. It is merely something that he has read into the record as coming from some other authority.

Mr. JAQUES: I expect that my own personal knowledge of Czechoslovakia and Europe is probably as—

Some hon. MEMBERS: Limited.

Mr. JAQUES: —limited as is that of the hon. member for Cape Breton South. At least I was born in Europe, and I have some knowledge of it.

Mr. GILLIS: That is what I wanted to make clear.

Mr. SPEAKER: Order. I would ask hon. members not to interrupt the hon. member who has the floor.

Some hon. MEMBERS: Question.

Mr. JAQUES: My own opinion would not, of course, be of any value. I have read the opinion of a man who made a report two years ago, and we have now found that what he said then has come true.

Mr. GILLIS: Hear, hear.

Mr. JAQUES: That is what I am trying to get over to you people.

Mr. HARTT: These are counterfeit Czechs that the hon. member is talking about.

Mr. GILLIS: Question.

Mr. JAQUES: You just said he was a Jew.

Mr. HARTT: I did.

Mr. SPEAKER: Order. I would ask hon. gentlemen not to interrupt the hon. member who has the floor.

Some hon. MEMBERS: Hear, hear.

Mr. SPEAKER: Order. I would ask the hon. member who has the floor to address himself to the Chair.

Some hon. MEMBERS: Hear, hear.

Mr. JAQUES: I beg your pardon, Mr. Speaker. I shall do so in the future. I am going to close with a brief quotation from one of the oldest and most respected socialists of Great Britain, Mr. Rees Davies, who said this during a recent debate in the British House of Commons:

I have always believed that under socialism the people would have more freedom. Now, we are told that a planned socialist state means control of workers. If that be so I do not want a planned socialist state. If I am told I am opposing the government I say that better this government should fall than that individual freedom should perish from this land.

(Translation):

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Mr. Speaker, I should like to say a few words before the house votes on the amendment to the amendment. During the debate, it has been held by members of the party in power that everything was fine and dandy in Canada. To display such callousness, they are surely not very hard to please. The situation is so alarming that we are showered with countless protests, from all parts of Canada, against the negligence, laissez-faire and carelessness of the government. The cost of living has become a calamity; the Minister of Labour (Mr. Mitchell) admits that unemployment is increasing. Yet, although over a hundred thousand Canadians are unemployed, we are letting in immigrants by the thousands. There is a lack of housing for our own people and veterans cannot find shelter for their families. After all the dazzling

promises it had made the Liberal party now rewards their heroism by giving them a shack. The faithful hound is given a bone to chew on. The government gives only huts to our veterans. That is the way it chooses to fulfil sacred promises. "We had promised you the moon, but you must be content with a shack in which to hang your tatters. That is our way of rewarding those who have fought for Christianity, liberty and right." The government seems to talk that way to those who, by its insidious propaganda have been drawn into a horrible war which has solved nothing. Tomorrow godless Russia, with her satellites, will dominate Europe. She stabbed Poland in the back while the German hordes subdued that country, and now she continues to defy every nation, to sow the seeds of violence, misunderstanding and revolution. She organizes civil war everywhere. Missionaries have to stop preaching because the cruel and despicable communist police force places them under arrest. What is the government waiting for to ban the communist party in Canada? We must uproot the evil. Time and time again, over the years, I discussed this matter in various debates, but in view of the complicated situation and the impending threat, I felt it my duty to deal with this subject again.

Coming back to the housing problem, I contend that the government has failed in its duty. Since it raised billions of dollars for war, when will it find the few hundred millions required to build houses for our people? It becomes a national duty to deal with the housing crisis. We have had more than enough cardboard houses built at great expense to the people. What are we to think of these slums where too many families are wasting away? A hovel is not necessarily an old house. Some new barracks, where children slowly peter out or burn to death, are worse than slums.

A government who has seen fit to spend $12,000 million on the war is bound to spend at least $1,000 million on family homes. It cannot shirk its responsibilities. In all fairness, the provinces should not be left to shoulder the whole burden. The dominion government collect large amounts of revenue which, according to the constitution, rightly belong to the provinces. Let them assume their proper responsibilities and provide the Canadian people with the family homes essential to the moral and physical well-being of all. Statistics are of little avail. Let us stop fighting with figures. The time has come for

[Mr. Lacombe.]

action. Let the government launch immediately an over-all housing scheme. Let them spend $500 and even $1,000 million on it. They may rely, in solving this vital problem on the support of all those who have at heart the welfare of our families and of our whole society.

Mr. Speaker, I feel highly indignant at the regrettable words which have been uttered in this house by an hon. member who is wont to carry discussion on a higher level. When a hero of the last war expresses his frank opinion on our war effort, he is showered with abuse.

Well, I cannot find words scathing enough to describe the untimely interference of the hon. member for Gaspé (Mr. Langlois). I shall not compare the work of the hon. member with that accomplished by the hon. Paul Sauvé. Both have distinguished themselves in their respective fields. Strangely, however, his attacks on him, who at every moment was risking his life at Falaise or on the beaches of France, recalls to my mind other utterly despicable charges. At a time when hon. Sauve was fighting in France for the great principles so extolled and often dreamt up by the Liberals, that same party was shooting him in the back. The Liberals nominated an opponent in Two Mountains. My hon. friend may speak of courage all he wants. True courage I find in the hon. Mr. Sauve's heroism and steadfastness. I vainly look for it in the ill-advised statement of the hon. member for Gaspé or in the shameful attitude of the Liberal party towards a great soldier on a firing line, which the government itself had long prepared by taking part in a war which was supposedly free, voluntary and moderate. There are none as qualified as Hon. Mr. Sauvé to describe Canada's part in the war. He is no drawing room officer. His decorations and titles are well earned; he laughs at attacks of this kind. They are only scratches inflicted with a wooden sword. "What can a wooden sword do against granite? It becomes blunted and breaks."

A few moments ago I called the attention of the house to the menace of communism. The press recently informed the public of the final result of the chase after the Polish art treasures. Some of our people are really affected with a strange mentality. Instead of rejoicing, as everybody should, that these priceless works of religious art should now be safe, there are some who sympathize with the discomfiture of the illegal communist Polish government.

Is it because Great Britain has important commercial relations with this atheistic, persecuting regime? The present Polish government outdoes in injustice, in usurpation, in cruelty the arrogance of Hitler. It would like to lay hands on the religious art treasures that the premier of Quebec has protected from the cupidity of this band of communists. The Polish government, which has continued to rob the Polish church of its property, would lose no time in gaining possession of these artistic treasures, which, to a great extent, belong to that church. It has found the right man to block its path. The minister of External Affairs (Mr. St. Laurent) claims that the Polish government is legal. It is therefore not surprising that the communist party in Canada is considered as legal and remains so.

Some hon. MEMBERS: Eleven o'clock!

Mr. SPEAKER: Since it is eleven, does the hon. member intend to move that the debate be adjourned?

Mr. LACOMBE: I only intend to speak for a minute or two longer.

Some hon. MEMBERS: No!

Mr. LACOMBE: I therefore move that the debate be adjourned.

(Text):

Mr. SPEAKER: Mr. Lacombe moves the adjournment of the debate.

Some hon. MEMBERS: No.

Some hon. MEMBERS: Question.

Some hon. MEMBERS: Go on.

Mr. SPEAKER: I must point out that it is eleven o'clock, unless it is the pleasure of the house to proceed with the debate.

Some hon. MEMBERS: Yes.

Mr. COLDWELL: Mr. Speaker, it is eleven o'clock and I hope you will call it eleven o'clock.

Motion agreed to and the debate adjourned.

BUSINESS OF THE HOUSE

Mr. BRACKEN: Will the Prime Minister indicate the work for tomorrow?

Mr. MACKENZIE KING: Tomorrow we shall continue with this debate. If it should be concluded, there has been a pretty general expression of the desire to have the committee on veterans affairs set up at an early moment, and we might decide to take up that resolution. I would point out, however, that if the debate were a lengthy one the government would wish to go on with some other measures first; but if we can have the committee appointed within a short time it should have precedence.

Mr. BRACKEN: Can the Prime Minister indicate the other measures that would be gone on with if the veterans motion were not brought forward?

Mr. MACKENZIE KING: There is the excise tax resolution of the Minister of Finance.

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

HOUSE OF COMMONS

Friday, March 5, 1948

The house met at three o'clock.

POLISH ART TREASURES

POSITION OF CANADIAN GOVERNMENT—FURTHER STATEMENT OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, I must crave your indulgence for referring again today to the matter of Polish treasures. I do not wish to prolong the controversy, but it is only proper that all the facts be placed before the public so that they may have their own views as to their proper interpretation.

Press statements have been called to my attention in which it is said that the Polish chargé d'affaires in Canada wrote to the Mother Superior of the Hôtel Dieu in Quebec city stating, amongst other things that the services of the Royal Canadian Mounted Police had been placed at his disposal to recover the art treasures which were said to be stored at that place. I have no direct knowledge of this communication or of any other communications which the Polish chargé d'affaires may have addressed to private individuals in Canada. It is not true, however, that any undertaking was given to the representative of the Polish government in Canada, either orally or in writing, by myself or any official of the Canadian government, to the effect that the services of the Royal Canadian Mounted Police would be placed at his disposal. He was informed only that, in order that he and his solicitors might undertake any legal proceedings they thought appropriate, the Royal Canadian Mounted Police would be asked to endeavour to ascertain the location of the missing articles. In order that there may be no misapprehension on this subject, I am quoting the relevant part of the letter in which the chargé d'affaires of the Polish legation was informed of the location of the articles which had been stored in Quebec City.

The portion of the letter, signed by the under-secretary of state is as follows--

Mr. DIEFENBAKER: What date?

Mr. ST. LAURENT: I have not the date, but it was just as soon as we got the information that these articles had been located in the city of Quebec. It states:

I have now been informed by the Royal Canadian Mounted Police that certain Polish art treasures which were brought to Canada by the Polish authorities in 1940 and which subsequently disappeared have now been located at l'Hôtel Dieu, Quebec city, Quebec. The articles at this location are said to be contained in twenty-three trunks and one wooden box and to have been stored previously at the Redemptorist Monastery at Ste. Anne de Beaupre.

As we agreed with your solicitors, we are communicating the information to you for any further action you and your solicitors may wish to take.

On the orders of the day:

Right Hon. J. L. ILSLEY (Minister of Justice): Mr. Speaker, yesterday the hon. member for Lake Centre (Mr. Diefenbaker) asked for the production of certain papers. He said:

Mr. Speaker, in view of the fact that the minister admits that the mounted police were used for civil purposes, he can have no objection to producing the reports given by Corporal Carriere and Constable Houle, either to himself as Minister of External Affairs or to the Minister of Justice, and I would ask whether or not those reports will be tabled.

Later he said:

Then I would ask the Minister of Justice whether he would produce these reports, because they deal with a civil matter, and the mounted police do not deal with civil matters.

To which I replied:

I shall be glad to give consideration to my hon. friend's request and give him an answer tomorrow. I am strongly under the impression that police reports to the commissioner, if there are any, are not under any circumstances producible in this house.

I find that there were certain reports from these two members of the Royal Canadian Mounted Police to their superiors but that they were of a confidential character and were so marked, and I therefore must decline to produce those reports on the ground of public interest.

I have not been able to find any indication in the authorities that anything turns on the distinction my hon. friend made yesterday between police activities in criminal matters and in civil matters. If anything did turn

on that, the same rule would clearly apply to reports made in civil matters. I quote from Bourinot's Parliamentary Procedure, fourth edition, page 251:

> The practice of asking for reports from officers, addressed to particular departments of the executive government, is considered to be open to serious objection. As to "confidential documents" passing between officers of a department, Mr. Speaker Peel observes: "They are not necessarily laid on the table of the house, especially if the minister declares that they are of a confidential character." He adds: "that if a minister stated in his place that a document was of that class, the house should take his word, and he was not bound to lay it on the table.

The observations which apply in that citation to reports from officers of a department apply *a fortiori* to reports from members of the police forces to their superiors, and it would be clearly contrary to the public interest to produce such secret and confidential reports or lay them on the table of the House of Commons.

Mr. DIEFENBAKER: Mr. Speaker, on a point of order, when the minister states that it is not in the public interest to produce the papers I believe his statement must be accepted; but when he says that there is no authority for it and that it has not been asked before in parliament I must say that the Prime Minister himself, when leader of the opposition on July 2, 1935, at page 4133 of *Hansard* asked for the production in this house of certain instructions given to the mounted police of that day, and himself desired the production of those papers. As a matter of fact—and I want to be frank—the answer given by the Prime Minister then was that he did not think they were producible. It is fair enough to say that; and I cannot find that it was discussed later. But certainly in 1935 the present Prime Minister when he was leader of the opposition thought it only proper to produce them.

While we are speaking about production, sir, I would suggest, being bound by what the Minister of Justice says, that possibly the Secretary of State for External Affairs, having chosen selected portions of a letter a few moments ago, will now table in the house the entire letter or state paper, as the case may be, because of citation 315, which I shall now read:

> A minister of the crown is not at liberty to read or quote from a dispatch or other state paper not before the house, unless he be prepared to lay it upon the table.

He has referred to one of the documents that I had in mind, and I suggest, sir, that he now be asked to table the entire letter from which he read a selected extract.

[Mr. Ilsley.]

Mr. ST. LAURENT: I have not the letter here; I shall give the request made by the hon. member for Lake Centre very sympathetic consideration.

RENT CONTROL

DECONTROL OF COMMERCIAL RENTS—WARTIME LEASEHOLD REGULATIONS

Hon. DOUGLAS ABBOTT (Minister of Finance): Mr. Speaker, yesterday the hon. member for Peace River (Mr. Low) referred to a telegram he had received from the secretary of the Retail Merchants Association of Alberta relating to the matter of commercial rentals, and suggesting that authority be retained by the rentals division of the board to deal with each case on its merits when application for a board ruling is made by a tenant. He asked me if I would give the matter consideration and make a statement with regard to the request.

I would say now with respect to the commercial rentals situation that there still remains in order in council P.C. 9029, the wartime leasehold regulations, section 6, subsection 1, which makes it an offence for any person to charge a rental which is higher than is reasonable and just.

As the government is continuing rental control on housing accommodation, it is necessary that this section remain in effect.

This section has general application; accordingly, it remains an offence for a landlord to charge a rental for commercial space that is clearly unreasonable and unjust. Should any such case be brought to the attention of the wartime prices and trade board, investigation will be made.

Hon. members will realize that it is unusually difficult to assess the value of commercial accommodation because so much depends upon the value of the site, nature of the business carried on, and the volume of business attributable to the location.

It must be also remembered that rent control of commercial space has now been in effect for over six and a half years. During this time many locations which in 1941 had little commercial value have now become quite valuable for one reason or another. Because of these factors previous maximum rentals in effect are not necessarily relevant in determining the reasonableness of the rentals now being asked.

Since December 1, 1945, the law has permitted a landlord to enter into a lease with an existing tenant at a rental that was mutually satisfactory to both parties, provided that the term of the lease was for a period of five years or longer and the lease contained

no predetermination clause. The five-year period was reduced to a three-year period in the spring of 1947. It would not be the government's intention to examine into the rentals reserved under these leases, as these were lawful rentals.

Mr. FLEMING: I take it it is clear that it will continue to be the responsibility of the wartime prices and trade board to enforce the provisions of section 6 (1) of the wartime leasehold regulations with respect to unreasonable and unjust projects.

Mr. ABBOTT: I believe I can answer that in this way, that if it is clearly established that a rental which is unreasonable and unjust is being charged the board would consider taking a prosecution. It is open under the section for anyone to do it, with the consent of the board or with the consent of a provincial attorney general. I am not prepared to say now to what extent the board should be or would be prepared to undertake the task of prosecutions. What I have said, in effect, is that if cases of that kind are brought to the attention of the board, investigations will be made.

Mr. GREEN: May I ask a supplementary question? Does the board have power to reduce rentals, or can it merely prosecute?

Mr. ABBOTT: It can only prosecute.

Mr. MacINNIS: May I ask a supplementary question? The minister said that if it was clearly established that the rent was unreasonable and unjust, certain action would be taken. How is that to be established before it can be brought to the attention of the wartime prices and trade board?

Mr. ABBOTT: Perhaps I should put it this way. Presumably the tenant would be in the best position to decide whether he thinks the rent is unreasonable and unjust. He could complain, I assume, to the wartime prices and trade board. An investigation would be made and the investigator would come to a conclusion one way or the other. If he came to the conclusion that it was clearly unreasonable and unjust I assume that the board would institute proper proceedings. I have stated that the board will investigate complaints of this kind to the extent of its capacity.

Mr. SMITH (Calgary West): As I understand it, this will have nothing to do with the right of the landlord to evict his tenant. The only remedy suggested now is that the tenant may prosecute if the rental fixed is considered unreasonable and unjust—or is it "or unjust"?

Mr. ABBOTT: And.

Mr. SMITH (Calgary West): We have had this phrase in our legislation for a long time. I am sure no one appreciates more than the minister the difficulty of basing a prosecution upon words of general application such as "unreasonable and unjust". I was wondering if the board had had any success in prosecutions of the kind, realizing as I do the great difficulty of asking a tribunal to decide. Perhaps some refinement might be made in that term, or more definite words used, so that in the event of the proper authorities launching a prosecution they would have some hope of succeeding. This is like asking what is the size of the chancellor's boot, or something of the kind. It is a very broad phrase, and I am inclined to think that it would be difficult to enforce a regulation under those words as they stand.

Mr. ABBOTT: Answering the first question, I understand that before the over-all ceilings were applied early in the war there were two, or possibly three, prosecutions under the "unjust and unreasonable" clause, and I understand there were two convictions. Then the over-all ceilings were put on and a breach of the price ceiling automatically was considered to be selling at a price which was unjust and unreasonable.

Mr. SMITH (Calgary West): Would the minister, for example, regard an increase of 100 per cent unreasonable as against 40 per cent?

Mr. WILLIAM IRVINE (Cariboo): The question which I intended to ask the minister has been asked already by the hon. member for Calgary West, but I should like to add this: Does the minister not think that the term "unreasonable and unjust" is so general that a conviction would be difficult to obtain?

Mr. ABBOTT: That is a matter of opinion.

PROPOSED REMOVAL OF COMMERCIAL RENT CONTROLS —MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I move, seconded by the hon. member for Melfort (Mr. Wright), for leave to move the adjournment of the house under standing order 31 for the purpose of discussing a definite matter of urgent public importance, namely, the serious situation which will develop subsequent to the removal of commercial rental controls on Monday, March 8, and the drastic effect which this will have on the cost of living and the necessity for immediate action to prevent the closing of small businesses which will doubtlessly result from exorbitant increases in rentals of commercial accommodation after March 8.

In view of the statement made this afternoon I think it becomes more necessary that this matter should be discussed because I believe the suggestions made to the house are entirely inadequate to meet the situation.

Mr. SPEAKER: The hon. member for Rosetown-Biggar, seconded by the hon. member for Melfort, has moved for leave to move the adjournment of the house under standing order 31 for the purpose of discussing a definite matter of urgent public importance. Hon. members know that it is the practice to move the adjournment of the house to discuss a definite matter of urgent public importance when under the orders of the day they would have no opportunity to discuss it. In a few minutes from now, according to the business of the house which was decided last night, the house will proceed to debate the address in reply to the speech from the throne. Hon. members know perfectly well that in the course of that debate it will be their privilege to discuss any matter. Therefore I do not see why I should permit the adjournment of the house to discuss this matter when the house will have an opportunity to discuss it in a few minutes.

Mr. MacINNIS: On a point of order, I cannot find anything in standing order 31 which provides for this sort of adjournment, which says that if there is an occasion on which the matter can be discussed the motion should not be granted. If the debate on the address goes on, there is no assurance that the hon. member who wants to raise this question will be able to speak. This question either stands or falls on its own merits as a question of urgent public importance, and in my opinion it cannot be sidetracked by saying that there is an opportunity to discuss it in some other debate. It is a question which stands by itself and which must be decided according to the rules as they appear in Beauchesne's rules and orders.

Mr. SPEAKER: The hon. member will understand that I cannot enter into a debate on the ruling which I have given. It is a well known fact that a member may ask leave to move the adjournment of the house to discuss a matter of urgent public importance. The idea of permitting such a motion is to enable hon. members to discuss urgent matters of public importance when they have no other opportunity to do so. But in a few minutes from now, as I have already said, the debate on the address will be before the house, and it will be the privilege of members to discuss any matter in that debate. I am sorry, therefore, that I cannot accept the hon. member's motion.

[Mr. Coldwell.]

FIVE-POWER CONFERENCE

STATEMENT AS TO CANADIAN REPRESENTATION

On the orders of the day:

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, the hon. member for Moose Jaw (Mr. Thatcher) yesterday asked a question about the five-power conference in Brussels and I replied that I had not been able to follow his question closely enough to venture an answer then. I have had an answer prepared which I should like now to give to him. His question as it appears in *Hansard* is this:

> I should like to ask the Secretary of State for External Affairs whether Canada has a representative or observer of any kind at the five-power conference which opened today in Brussels to discuss defensive matters. If not, was she invited to send one? If not, is the British government keeping Canada informed in any way as to the proceedings and developments?

The answer is as follows. On March 1, Mr. Attlee announced in the House of Commons in London that the United Kingdom and France had recently made certain proposals to the Benelux governments on all the aspects of western union and that the Belgian government were arranging for conversations to open on the official level in Brussels on March 4, at which there would be preliminary discussions covering the general question of economic, social, political, and defence co-operation.

Since the meeting in Brussels has been arranged to afford officials of the five powers, the United Kingdom, France, the Netherlands, Belgium, and Luxembourg, an opportunity to discuss the general considerations involved, Canada has not been invited to attend, but in accordance with the usual practice, the United Kingdom government is keeping Canada informed.

INQUIRY FOR RETURN

INVESTMENT OF CANADIAN FUNDS FROM SALE OF U.S. DOLLARS

On the orders of the day:

Mr. J. M. MACDONNELL (Muskoka-Ontario): Mr. Speaker, I wish to ask a question of the Minister of Finance, of which I have not had a chance to give him notice. Will he see that I get an answer to a question I asked a good many weeks ago and which was passed as an order for return on February 11. It has to do with the purchase of Dominion of Canada bonds by the government itself and the investment of Canadian funds from the sale of United States dollars. I cannot see

why it should take more than twenty-four, or at the most forty-eight hours to answer the question, and it is now nearly six weeks since the order was passed.

Hon. DOUGLAS ABBOTT (Minister of Finance): I shall make inquiries and see what has happened.

LOANS TO OTHER COUNTRIES

INQUIRY AS TO AMOUNTS NOT REPAID

On the orders of the day:

Mr. E. D. FULTON (Kamloops): May I ask the Minister of Finance if I may have an answer to the question I asked on Wednesday, March 3, in regard to the repayment of loans made by the government of Canada to foreign countries?

Hon. DOUGLAS ABBOTT (Minister of Finance): I will try to let my hon. friend have an answer on Monday.

BUSINESS OF THE HOUSE

CONSIDERATION OF PRIVATE BILLS

On the orders of the day:

Mr. T. L. CHURCH (Broadview): May I ask the Prime Minister what is the present position of private bills on the order paper?

Right Hon. W. L. MACKENZIE KING (Prime Minister): There will be an hour tonight for private bills.

PUBLIC BILLS AND PRIVATE MEMBERS' RESOLUTIONS

Mr. JAMES SINCLAIR (Vancouver North): I wish to ask the Prime Minister a question supplementary to the one asked by the hon. member for Broadview (Mr. Church). Can the Prime Minister give any indication when private members will have an opportunity to discuss their public bills and resolutions?

Mr. CRUICKSHANK: Oleomargarine next year.

Mr. MACKENZIE KING: Mr. Speaker, the house has been in session now for a considerable period of time, and up to the present private members have occupied most of the time of the session. I think the government will have to endeavour to have headway made with government business before more time is taken up by private members with their measures. A little later in the session we can see what opportunities there may be for taking up public bills. Provision has already been made for private bills other than divorce bills to be taken up on Friday evenings, but until further headway is made on government business, I believe it is in the public interest that the government should give precedence to its own business. Later on we shall be able to see what may be possible with regard to public bills.

PRIVILEGE

MR. POWER—REFERENCE TO PREMIER DREW'S REMARKS ON HONG KONG EVIDENCE

On the orders of the day:

Hon. C. G. POWER (Quebec South): Mr. Speaker, I rise to a question of privilege. The Ottawa *Morning Journal* of March 3, quotes Premier Drew of Ontario as saying:

"in seeking to convey the impression that he was unaware of the threat of early war in the Pacific prior to the departure of the Hong Kong force in October, 1941," Prime Minister King "is simply piling falsehood on falsehood."

Later on I am quoted in support of Premier Drew's statement as having said in evidence before the Hong Kong inquiry the following:

I felt, perhaps without any sound basis except having read these dispatches, that there was a very good chance of war breaking out with Japan.

In justice to all parties, including myself, I think I should say that in the very next line of my evidence, in reply to a direct question as to whether I believed war with Japan was imminent, I said no, war with Japan is not imminent.

Mr. SMITH (Calgary West): On a point of order, Mr. Speaker, are we to get the evidence given before the Hong Kong commission piece by piece, or all at once?

Mr. ABBOTT: Ask George Drew.

Mr. POWER: May I say that I am in entire agreement with the hon. gentleman, and if this points any moral at all it is this, that Premier Drew as well as all others concerned should have waited until the evidence was produced before speaking.

Mr. SMITH (Calgary West): On my point of order, sir, perhaps the hon. member will tell us when it will be produced.

Mr. SPEAKER: Order. If the hon. member for Calgary West has a point of order I would ask him to state it.

EMERY CASE

QUESTION AS TO SENTENCE IMPOSED BY CARLETON COUNTY MAGISTRATE'S COURT

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): I should like to direct a question to the Minister of Justice. Has the minister any

knowledge of whether Premier Drew or his attorney general is appealing the ridiculous sentence imposed on a man called Emery in the province of Ontario?

Right Hon. J. L. ILSLEY (Minister of Justice): I have no knowledge of that matter, no.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Thursday, March 4, consideration of the motion of Mr. J. A. Dion for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Bracken, and the amendment to the amendment of Mr. Shaw.

Mr. SPEAKER: Shortly before the house rose last evening, the hon. member for Red Deer (Mr. Shaw), moved what purported to be an amendment to the amendment made by Mr. Bracken. Mr. Bracken's amendment to the motion for an address in reply to the speech from the throne was in the following terms:

That the following be added to the motion:

"We respectfully submit to Your Excellency that Your Excellency's advisers do not possess the confidence of the Canadian people."

The proposed subamendment is as follows:

That all words after the word "advisers" be struck out, and that the following be substituted therefor:

"Should have given assurance to this house that legislation would be submitted during the present session, whereby the following results would be achieved, as a contribution towards meeting the crisis in living costs, and towards stabilizing the Canadian economy:

(a) Exemption from income tax on incomes of married persons of $2,400 and less, and of single persons of $1,500; these to be progressively increased to $3,000 and $2,000 as production increases in relation to demand.

(b) Elimination of the sales tax, and substantial reduction in excise, processing, and all other hidden and nuisance taxes.

(c) Substantial increases in family allowances; increases in old age pensions, together with elimination of the means test and a reduction in the pensionable age.

(d) Adequate provision for all disabled adults.

(e) Selective subsidies, especially on food products and necessities of living.

It is of course clear that the amendment of Mr. Bracken is a motion of no confidence, and is wholly confined to this subject.

In my opinion it is quite clear there is nothing on the face of it to show that the proposed subamendment is intended to amend the amendment, since it deals with an entirely different subject. It is further quite clear that the proposed subamendment raises new and important issues. I quote from Beauchesne's third edition, page 142, citation 367:

A subamendment on the address in reply to the speech from the throne may be moved subject to the same rules as any other amendment. It must be relevant to the amendment and cannot raise a new issue.

In citation No. 368 on the same page, the author cites an example of the application of this rule. Mr. Speaker Lemieux, as reported in the journals of the House of Commons, 1929, at page 110, says as follows:

It is an imperative rule that every amendment must be relevant to the question on which the amendment has been proposed, and this rule has invariably been insisted upon by Canadian Speakers.

He points out that if this were not so, all the benefits of giving due notice of a motion, and allowing the house a full opportunity of considering a question, would be practically lost. A member would then be in a position to surprise the house at any moment with a motion of importance, and the necessity of giving notice would be superseded to all intents and purposes. He further points out that the latest English decisions are in accord with those of Canadian Speakers.

For these reasons, I must rule the proposed amendment to the amendment out of order.

Mr. LOW: Mr. Speaker, permit me just a word in connection with the ruling which you have just made. I contend, sir, that the amendment to the amendment is of the same character exactly as the amendment itself, and that it is clearly—

Mr. SPEAKER: Order.

Mr. LOW: —a want of confidence motion.

Mr. SPEAKER: Order. I am sorry to interrupt the hon. member, but there is an old practice in this house and in England that the Speaker's ruling cannot be debated.

Mr. LOW: In these circumstances, Mr. Speaker, because your ruling is so completely unjustified by the rules of the house I must challenge it.

Mr. SPEAKER: Order. Will the hon. member be kind enough to repeat what he has just said? I did not understand him.

Mr. LOW: I say, sir, because your ruling is so completely unjustified by the rules of procedure of this house, in that it places our subamendment in a different category from that of the Conservative party, although they are both want of confidence motions, I must challenge your ruling.

Mr. SPEAKER: Those in favour of sustaining the Speaker's ruling will please say "yea".

Some hon. MEMBERS: Yea.

Mr. SPEAKER: Those against will please say "nay".

Some hon. MEMBERS: Nay.

Mr. SPEAKER: In my opinion the "yeas" have it. Call in the members.

Mr. Speaker put the question as follows:

The question before the house is an appeal from the Speaker's ruling. I have declared out of order the amendment to the amendment proposed by Mr. Shaw, and Mr. Low appeals. I base my ruling in declaring the amendment to the amendment out of order on Beauchesne's third edition, page 142, citation 367:

A subamendment on the address in reply to the speech from the throne may be moved subject to the same rules as any other amendment. It must be relevant to the amendment and cannot raise a new issue.

I also base my ruling on the ruling given previously by Mr. Speaker Lemieux, which can be found in the journals of the House of Commons, 1929, at page 110:

It is an imperative rule that every amendment must be relevant to the question on which the amendment has been proposed, and this rule has invariably been insisted upon by Canadian Speakers.

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
Arsenault
Baker
Beaudoin
Beaudry
Belzile
Bertrand (Laurier)
Bertrand (Prescott)
Bertrand (Terrebonne)
Black (Chateauguay-Huntingdon)
Blanchette
Boivin
Bonnier
Bourget
Bradette
Breithaupt
Brown
Brunelle
Chevrier
Claxton
Cloutier
Coté (Matapedia-Matane)
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Croll
Cruickshank
Dechene
Denis
Dickey
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Douglas
Dubois
Emmerson
Eudes
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gardiner
Gariépy
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gibson (Hamilton West)
Gingues
Gladstone
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Gregg
Hallé
Hartt
Healy
Howe
Ilsley
Isnor
Jean
Jutras
King, Mackenzie
Kirk
Lacombe
Lafontaine
Lalonde
Langlois
Lapointe
Laurendeau
Leger
Lesage
McCann
McCulloch (Pictou)
McIlraith
McIvor
MacLean
MacNaught
Maloney
Marier
Marquis
Martin
Matthews (Brandon)
Maybank
Mayhew
Michaud
Mitchell
Mullins
Mutch
Parent
Picard
Pinard
Power
Reid
Richard (Gloucester)
Richard (Ottawa East)
Ross (Hamilton East)
St. Laurent
Sinclair
Sinnott
Smith (York North)
Stuart (Charlotte)
Tremblay
Tucker
Viau
Warren
Weir
Whitman
Winkler
Winters—107.

NAYS

Messrs:

Adamson
Archibald
Argue
Ashby
Barrett
Bentley
Black (Cumberland)
Blackmore
Blair
Boucher
Bowerman
Bracken
Bradshaw
Brooks
Bryce
Burton
Campbell
Caouette
Cardiff
Case
Casselman
Castleden
Charlton
Church
Cockeram
Coldwell
Coyle
Daniel
Diefenbaker
Drope
Fair
Ferguson
Fleming
Fulton
Gillis
Graydon
Green
Hackett
Hamel
Hansell
Harkness
Harris (Danforth)
Hatfield
Henderson
Hlynka
Hodgson
Homuth
Irvine
Jackman
Jaenicke
Jaques
Knight
Kuhl
Lennard
Low
McCuaig
McCullough (Assiniboia)
Macdonnell (Muskoka-Ontario)
McGregor
MacInnis
McKay
McLure
MacNicol
Marshall
Massey
Matthews (Kootenay East)
Menary
Merritt
Moore
Murphy
Nicholson

Pearkes	Stanfield
Probe	Stephenson
Quelch	Stokes
Robinson (Bruce)	Strum, Mrs.
Ross (St. Paul's)	Townley-Smith
Ross (Souris)	Tustin
Shaw	Webb
Skey	Wright
Smith (Calgary West)	Wylie—89.

Mr. MACDONALD (Brantford City): I was paired. Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. HARRIS (Grey-Bruce): I was paired. If I had voted, I would have voted to sustain the Speaker's ruling.

(Translation):

Mr. GAGNON: I was paired with the hon. member for Parry Sound (Mr. McDonald). Had I voted, I would have voted against your ruling, Mr. Speaker.

(Text):

Mr. HERRIDGE: Owing to the illness of the hon. member for Algoma East (Mr. Farquhar), I am paired with him. Had I voted, I would have opposed your ruling, Mr. Speaker.

Mr. JOHNSTON: I was paired with the hon. member for Halton (Mr. Cleaver). Had I voted, I would have voted against your ruling.

Mr. WHITE (Middlesex East): I was paired with the hon. member for Middlesex West (Mr. McCubbin). Had I voted, I would have voted against your ruling.

Mr. COLDWELL: On a question of privilege, Mr. Speaker, earlier this afternoon I attempted to move the adjournment of the house under standing order 31, for the purpose of discussing the matter of the removal of commercial rentals control, and I accepted your interpretation of the rule. But may I suggest that I am now denied the right to discuss this matter; having already exhausted my right to speak on the address I have no other opportunity of dealing with it in this debate.

Mr. ABBOTT: And many others cannot.

Mr. BRADETTE: You have some good men behind you.

Mr. SPEAKER: Order. The hon. member has spoken already on the amendment—

Mr. COLDWELL: No.

Mr. SPEAKER: —so he will have the privilege of speaking on the main motion.

Mr. COLDWELL: No; I spoke on the main motion.

Mr. SPEAKER: In order to avoid any confusion, I have just asked the Clerk of the house when it was that the hon. member spoke, and I find that I was right. He spoke on the amendment moved by the leader of the opposition, so he still has the right to speak on the main motion.

Mr. COLDWELL: The only question I would raise is this. Should we not reach the main motion today, and as the rent controls are to be lifted on March 8, I should be unable to bring the matter up in time to discuss it. That is the point.

Mr. SPEAKER: It is up to the house to decide its own business, but it is the duty of the Speaker to apply the rules.

(Translation):

Mr. LIGUORI LACOMBE (Laval-Two Mountains): When the debate adjourned last night, I was stating that, in view of the events which have just taken place, it was not suprising to see that the communist party remained legal in Canada.

(Text):

Mr. SPEAKER: Order. It was called to our attention yesterday by the hon. member for Durham (Mr. Stephenson) that after the orders of the day are called there is always a great deal of confusion in the chamber. His remarks were applauded by hon. members on both sides of the house. However, in spite of what he said, the noise continues from hon. members on both sides, to a point where it is really impossible to hear the hon. member for Laval-Two Mountains (Mr. Lacombe). Therefore I would ask hon. members to keep silence so that the hon. member who has the floor may have an opportunity to be heard.

(Translation):

Mr. LACOMBE: Here is the first paragraph of the statement attributed to the Mounted Police:

> On December 2, 1947, the Minister of External Affairs requested the Minister of Justice to instruct the Commissioner of the Royal Canadian Mounted Police to ascertain the then location of the missing Polish art treasures and further, if the missing articles were located, to endeavour to keep the same under surveillance until a decision could be reached as to what action might be taken by the Polish legation.

"As to what action might be taken by the Polish legation". If words still convey a meaning, then this means that the Polish legation in Canada was and still is considered by the Secretary of State for External Affairs (Mr. St. Laurent) as having full power to dispose of the Polish art treasures.

An hon. MEMBER: Oh, no!

Mr. LESAGE: Would the hon. member allow me a question?

Mr. LACOMBE: Shall we infer—

Mr. LESAGE: Mr. Speaker—

Mr. LACOMBE: I beg my hon. friend to keep cool and not to interrupt me before knowing at least what I am going to say.

Mr. GAUTHIER (Portneuf): Very well, go on!

Mr. LACOMBE: Any questions?

Mr. MARIER: No, later on.

Mr. LACOMBE: Does this mean that the Secretary of State for External Affairs, who maintains an embassy to Tito's but denies one to the Vatican, would hand over to the communist government of Poland those religious art possessions, many of which belong to the church of that country? Nobody knows!

In a state of doubt and uncertainty, I feel personally much more reassured on this point by the attitude of the Quebec premier than by the attitude of the Secretary of State for External Affairs.

Mr. LALONDE: Of the tory Quebec premier.

Mr. LACOMBE: Under the circumstances, the right hon. the Secretary of State for External Affairs and the government have caused our federal politics to play the odious part of a gestapo for Poland's imposter and communist government.

Mr. LESAGE: But it is the provincial government that has carried out the seizure.

Mr. LACOMBE: Such has been the unspeakable attitude taken by the Secretary of State for External Affairs. Together with the Minister of Justice (Mr. Ilsley), he ordered the Royal Canadian Mounted Police to locate the Polish treasures, priceless sacred vases, church vestments and frescoes, the property of the Polish church, at the very moment when His Holiness Pope Pius XII had issued a solemn condemnation against atheistic communism. And now that he finds himself in this mess of his own making, what right has he to protest against the words uttered by the Quebec premier?

Mr. Speaker, I marvel at your patience, a virtue which I suppose I may be said to share with you, but I would ask that order be maintained in the house.

Mr. LESAGE: Well might our own patience be admired for letting you utter such falsehoods.

Mr. LACOMBE: I respect your opinion, but so should you respect mine.

An hon. MEMBER: Nobody does.

Mr. LACOMBE: No one conscious of the dangers now threatening the world can share the minister's indignation. Why should we be so actively sympathetic towards Stalin's henchmen and so eager to co-operate with Poland's communistic regime? Yet, however strange the government's attitude in this case, it will not surprise anyone. We are now accustomed to their policy of laissez-faire. Moreover, the Secretary of State for External Affairs appointed an ambassador to Yugoslavia, whose government has persecuted the primate of the Catholic church, Archbishop Stepinac, a martyr whom they chained in a cell, after a mock trial, and whose only fault was that he defended his church and his flock.

Mr. Speaker, I beg you to restore order in the house.

Why not close our embassy in the land of Tito, that Stalin No. 2, and establish one instead at the Vatican?

Why not appoint an ambassador to the Vatican where the great and august pontiff is asserting himself as the champion of true liberty, charity and peace?

We are witnessing a never-ending series of deplorable deeds both in the national and the international spheres as well as reprehensible omissions; yet, anyone in full possession of his spirits, unless he is blinded by direct prejudice, will admit that only aberration or unjustified apprehension is preventing the government from fulfilling a sacred duty, towards Canada and civilization, which is threatened from all sides.

The government allowed the communist party to broadcast. Within hearing of the whole world, Tim Buck smeared his country. The CBC allows Stalin's agents to use its airlanes. In 1940 and since, the CBC, which is the government's jack of all trades, prevented me from speaking over its network, though my script had been passed by the censorship division. The Corporation is but the servile tool of the government, its master's servant. In allowing communist speeches to be broadcast, the government unconsciously promoted the organization of a whole spy network in Russia's interest. We have not seen the last of this gang of spies which is a real adder's nest. No stone must be left unturned in an attempt to destroy it. The

best method would be to ban the Labour Progressive party which is, to all intents and purposes, the communist party in Canada.

Mr. Speaker, the time has come to unmask the baseness as well as the sins of commission and omission of public men whom the lying and white-washing propaganda of a partisan press attempts to boost to the highest pinnacle. The time has come to expose the exaggerated reputation of the so-called demigods that a CBC sponsored legend surrounds with complacent admiration. The time has come to unmask these patriotic puppets whose heart is in London while their shell remains in Canada.

Mr. SPEAKER: Order. I would remind the hon. member of the fact that according to standing ordere motives are not to be imputed to fellow members or to ministers of the crown. I have paid close attention to the hon. member's speech and I have every reason to believe that the epithets he has just used are aimed at members of this house. If such is the case, I must ask the hon. member to withdraw these words.

Mr. LACOMBE: Mr. Speaker, such is not the case. I am not alluding to anybody in particular. I am not speaking about any member of the cabinet. My remarks apply generally to policies in this country. I respectfully submit that I am perfectly in order in such a debate as this. I would not wish to aim such epithets at hon. ministers, particularly when they do not deserve them.

Mr. FOURNIER (Maisonneuve-Rosemont): Hear, hear.

Mr. LACOMBE: I am discussing the general policies of this country.

An hon. MEMBER: You are watering your wine.

Mr. LACOMBE: I am not watering my wine. My wine is strong enough to give the hon. member a taste of his own medicine. Besides, wine improves with age.

Mr. LALONDE: The hon. member is smiling.

Mr. LACOMBE: The time has come properly to deal with the standard bearers of military and financial imperialism in this country. The hon. member for Beauharnois-Laprairie (Mr. Raymond) was perfectly justified yesterday when he expressed his utter contempt for the behaviour of those contented imperialists who prove so costly to this country. Canada is ruled not from Ottawa but from London. When recently parliament requested that light be shed on the ill-fated Hong Kong expedition, the Prime Minister (Mr. Mackenzie King) answered that London would not allow him to do so. Since when must a sovereign country kneel before a foreign nation and beg its consent to account for the blood of their own sons killed in a struggle where only valour could compensate for a lack of training, strategy and equipment directly attributable to a foreign government.

Mr. LALONDE: Why is the hon. member smiling when dealing with such a sad question?

Mr. LACOMBE: It is a shame.

I know the point the hon. member is trying to make. It is not likely to shed any light on this debate.

Mr. LALONDE: This is too sad to laugh.

Mr. LACOMBE: It is a shame. It is a challenge to the pride of a free and sovereign country. How long shall we follow in London's wake? A century ago, under the union government, things went differently Since we took part in imperialistic wars we have gone back one hundred years to the status of colony. If we continue to bend under the yoke of slavery and domination, some will lose all notion of patriotism; in fact, they have already done away with it to give allegiance to a foreign country whose flag still flies over Canada.

Mr. COTE (Verdun): Mr. Speaker, I did not want to interrupt the hon. member in the course of his speech, but before he resumes his seat, may I ask him a question?

Mr. LACOMBE: I have already resumed my seat.

Mr. COTE (Verdun): May I ask a question of the hon. member?

Mr. LACOMBE: Surely.

Mr. COTE (Verdun): At the beginning of his speech, the hon. member appeared concerned about unemployment in Canada. Could he tell me whether this is a seasonal condition, which compares rather favourably with that of the past twenty-five years, with the exception of the last year of the war? And then, does he know that employers in this country forecast a labour shortage substantially more acute than last year?

Mr. LACOMBE: Mr. Speaker, a question is being put to me.

Some hon. MEMBERS: That's it.

Mr. LACOMBE: I have the right to ask the hon. member a question.

Some hon. MEMBERS: No, no, answer first.

Mr. LACOMBE: Is the hon. member asking me a question, or does he want to make a speech?

Mr. SPEAKER: Order.

(Text):

Mr. T. J. BENTLEY (Swift Current): Mr. Speaker, I honestly did not intend to take part in this debate—that is the truth—but something occurred last night which makes it essential that I do so. Before going into that, like others who have taken part in this debate I should like to add my word of congratulation to the mover and the seconder of the address. The manner in which they carried out their task merits the distinction that was given to them when they were permitted to undertake it.

The particular reason for my taking part in this debate is a short speech which was made last night by the leader of the opposition (Mr. Bracken). I am not disputing in any way his right to make that speech, but his doing so affected what has become the general procedure in these formal debates. As a rule the whips know how many speakers there are to be from each group; the Speaker gets a list and from that list he recognizes the various speakers in turn. We had expected that the hon. member for Eglinton (Mr. Fleming) would be the last on the list last night; consequently we were ready for a vote, as I believe everybody in the house was.

An hon. MEMBER: We are ready now.

Mr. BENTLEY: We are not. The leader of the opposition made his speech. If the hon. member for Eglinton had been the last speaker there was nothing much that needed to be said. He did a lot of breast-thumping like Tarzan, but unlike Tarzan he gave his jungle howl before victory was attained. He gave it in his challenge last night. If he was out west among the cowboys he probably would be one of those rootin' tootin' two-gun boys they sing about on the prairies. But he did not disturb us at all.

When the leader of the opposition (Mr. Bracken) took the floor he did some fancy skating which I do not believe could be excelled, if equalled, by the young lady from Ottawa who is at present overseas and has done such a splendid job in her field for Canada. The leader of the opposition drew a very fine distinction. In view of some of the things that happen occasionally, Mr. Speaker, the ability of the leader of the opposition to draw fine distinctions will some day eminently fit him to be Speaker of this house, although I hope the time never comes when his group will be elected with a sufficient majority to place him in that position. But he has that qualification, if none other.

He tried to make it appear in his speech that the C.C.F. wished to have farm prices controlled at lower levels with no compensatory feature. In a very casual way he said he was using farm prices simply as an illustration, but he certainly tried to leave the impression that we were endeavouring to have farm prices controlled at lower levels, when every honest member of this house knows that ever since I come to this house, I and the larger number of this group who came here in 1945 as well as those here before have continually said: We believe in orderly marketing as the organized farmers want it. We believe in prices for agricultural products that will bring the farming community its share of the national income according to its numerical strength. We believe, and we so stated in 1945 and at every other opportunity we had, and I state it again now, that while we believe in that, we believe also in the other types of controls which make those stabilized prices worthwhile tc the farmer in bringing to him that share of the national income to which we believe he is entitled. The leader of the opposition deliberately last night attempted to make it appear as though we had some other motive.

Mr. FULTON: The socialist—

Mr. BENTLEY: I did not hear any word my hon. friend uttered except the word "socialist." I have heard them muttering it under their breath so often that it does not register any more. My hon. friend knows nothing about socialism except what he read in a dime magazine.

Mr. FULTON: I certainly do not know anything about it after listening to you.

Mr. BENTLEY: And I doubt if my hon. young friend knows much of anything. However, that is not my fault.

The speeches of the Progressive Conservative party have indicated quite clearly what they want, and the leader of the opposition indicated it again last night when he was quoting from a survey by the American Federation of Labor, the last words of which were "the excess money supply." The purport of it was that the excess money supply is the thing that causes the difficulties we are experiencing at the present time. So he believes and stated quite emphatically, I think, that he believes in removing the excess money supply so that the people will not be able to buy. I suppose the reason for that is that if we can

remove the excess money supply which is supposed to be in the pockets of Canadian consumers today, they will buy less products and make more available for export to countries able to pay any old prices at all, and consequently there will be increased profits for the people the Progressive Conservatives represent.

They have also made it clear in their speeches that they believe in higher interest rates, another method of removing the excess money supply, as they call it. Of course if those things were done, what would happen? Unemployment would be created in this country, and the creation of unemployment in this country is precisely and exactly what monopoly business interests want. They believe in that. They believe in their position in society, and they are defending that position. They believe that their position in society is so great that they are entitled to have a pool of unemployment. I have read in a businessman's magazine a statement that burnt its way right into my soul. That statement was this, and I can remember it because I have read it so often: The system of free enterprise carries with it the right to a normal float of unemployed. They believe that, and the people who support them in this house are prepared to believe that.

The leader of the opposition tried to create the impression that the C.C.F. are prepared to have wages go to any kind of level or height without any check whatsoever, when again we have made it abundantly clear that the only reason we do not want any wage control order put into effect at the present time is that we believe the incomes of people, whether they are wage earners, pensioners or all the rest in the low income brackets who cannot afford to buy the things which this country can abundantly produce—their income should first be raised to the point where they will be able to buy. Then you would find there would be no support from us if any of those groups demanded more than their share of the national income. That is the position we have always taken on wage controls. I do not think any of our group will dissent from my statement that that has always been our position in this house and as a political party in this country. If that were done—and it will be done when the C.C.F. government comes into power in this country—make no mistake about that—

Mr. SMITH (Calgary West): When will that be?

Mr. BENTLEY: Before our Tory friends get there. I appreciate the anxiety of our Tory friends to get back into power. Their anxiety is pathetic. They remind me of a story I heard once about Adam. Adam went to St. Peter and asked for an opportunity to go back to earth. St. Peter reminded him that the last time he was on earth his conduct had been open to criticism. Adam replied, "Yes, sir, but I would like to go back and turn over another leaf." I suggest, Mr. Speaker, that there is a moral in that story.

Mr. HARTT: It is immoral.

Mr. BENTLEY: I did not suggest anything that was immoral or unmoral, but if anybody takes anything else out of it, that is their privilege.

Our amendment was voted down last night. I cannot repeat the terms of it but in the debate on that amendment and in other debates we have pointed out that we believe in the reimposition of price controls now. The hon. member for Acadia (Mr. Quelch) said that a roll-back would be difficult now. We have never been unreasonable in our suggestions for the reimposition of price controls. We wanted them held in 1945; we wanted them held in 1946 and in 1947, and this session we are still asking for the same thing. We know that the reimposition of price controls and subsidies is not a permanent solution to the economic difficulties of this country, but we believe it is a necessary expedient at the present time until long-range planning becomes effective. As I said before, we are convinced that long-range planning in the interests of the ordinary people is not going to be done either by the Conservatives to my right or by the Liberals across the way. They do not believe in it. They believe in planning for those people who make it possible for them to have the great political power in the country that they possess.

Mr. CASE: We do not have the support of Tim Buck, anyway.

Mr. BENTLEY: On that particular point, Mr. Speaker, we have already stated our case; we have no control over Tim Buck.

Mr. DIEFENBAKER: Why don't you renounce him?

Mr. BENTLEY: We have no control—

Mr. COLDWELL: We certainly have renounced him, and if necessary we shall do it again.

Mr. BENTLEY: We have no control over Colonel Drew, but we shall have some day, Mr. Speaker.

An hon. MEMBER: What a hope!

Mr. FULTON: When you amend the British North America Act you may do as you wish.

Mr. BENTLEY: I hope the hon. gentlemen are finished with their interjections for the time being.

Mr. MACDONNELL (Muskoka-Ontario): Will the hon. member permit a question? I was unfortunately out of the house when the hon. member indicated that I had advocated high interest rates. I want to ask the hon. member this question. Does he not know that what I was urging was that inflation was the cause of high prices; but I was also arguing that artificially low interest rates create artificially high prices? What I was arguing was that these artificial rates were doing the damage. Here is my question. Assume that this tight ceiling was taken off and let us say interest rates rose by half of one per cent. Would it be better for a man to pay half of one per cent interest extra, which would amount to $5 a year on $1,000, or say $10 a week additional costs by reason of the high prices from which we are now suffering? That is what I was trying to argue.

Mr. BENTLEY: Well, Mr. Speaker, to answer that question I would have to go into another debate. I agree with the hon. member that that is what he was arguing, but we do not agree with the argument; that is the point.

Mr. IRVINE: May I ask the hon. member a question? Does he not think that higher interest rates would attract more money for investment at high interest rates and more investment means more money in the pockets of the people, and therefore more inflation?

Mr. SINCLAIR: Charlie McCarthy.

Mr. BENTLEY: It could easily happen that way.

Mr. SINCLAIR: That is another debate, too.

Mr. BENTLEY: It might happen that way. We believe in the control of prices under these conditions and when controls are necessary for the welfare of the people, and we have stated that on many occasions. We believe it will be necessary to have subsidies to make that possible, and since we have at the present time the kind of free enterprise that monopoly capitalism believes in and that we do not believe in, in many of its phases, we believe that the excess profits of these institutions should be taxed back into the public treasury to make these subsidies possible. These are our beliefs, and they have been expressed time and again in different ways.

As I said, I do not blame others for having their point of view, but I did not like, and I do not yet like—I am doing my best to inform anybody to my right who cares to listen—the things that the leader of the opposition attempted to read into our speeches as our meaning last night. They were entirely inaccurate.

Our Conservative friends believe in the control of the economy of this country by their big business friends. They believe—

Some hon. MEMBERS: Oh, no.

Mr. IRVINE: Oh, yes.

Mr. BENTLEY: Yes, they do. They believe in the divine right of bossism to regulate the lives of other people and say when and how much they shall eat.

Mr. FULTON: The hon. member knows that that is a misstatement. I challenge him to prove it.

Mr. BENTLEY: I attach more importance to the speeches of the top flight men. They let the lesser individuals rise in their places and use words which have no meaning, but which suit the purposes of the Progressive Conservative party.

Mr. SINCLAIR: Go back to the kindergarten.

Mr. BENTLEY: The purpose of the Tory party is to perpetuate individual bossism by some individuals who have been successful or lucky enough to control immense amounts of the Canadian economy and the lives of Canadian people. I have lived this in the history of the country, Mr. Speaker. I have lived it. No man in this House of Commons has taken a more active part—

An hon. MEMBER: In Saskatchewan.

Mr. BENTLEY: I lived in Ontario. No man in this house has taken a more active part in the early days in trying to build labour unions than myself in the days when I was working for wages in this province. I have seen the goon squads march and I have been blocked by the goon squads myself. I have had this history driven into me as a wage earner in this country. I come from Saskatchewan now and I am glad of it because at least in that province we have built up an attempt through a great many years to bring some degree of equity to the ordinary working and producing people of that province.

I am very sorry that, on account of the Speaker's ruling, I am not going to be able to deal with some of the things that I should have liked to discuss, but there are a few things I

should like to say to our friends across the way, the Liberals, which I think they should be told. We have told them time and again that they are too ideologically close to the Progressive Conservatives to deserve the name of Liberal any more.

Mr. HARTT: You are entitled to your mistakes.

Mr. BENTLEY: They could all get together and you could call them whatever name you wanted to, but it would not be the name that would indicate equity to the ordinary Canadian people.

Mr. PROBE: Call them coalitionists; that is good enough.

Mr. BENTLEY: That is right. I should like to mention in that regard, Mr. Speaker—

Mr. TUCKER: I would rather be a friend of my friends across the way than be a friend of Tim Buck.

Mr. COLDWELL: The hon. gentleman did not say that in 1945.

Mr. BENTLEY: In 1945 the supporters of my hon. friend and his friends over there informed me that they were going to support the Liberals because they felt that they were more progressive than any other party in Canada. That was the party led by Mr. Buck at that time.

Mr. TUCKER: No communist supported me, because I told them I did not want the support. I did not ask for it and I did not accept it.

Mr. COLDWELL: You are the exception which proves the rule.

Mr. JOHNSTON: Don't point that thing over here; it might go off.

Mr. BENTLEY: Keep your eye on the clock, Mr. Speaker; I do not want this time to be taken off my time.

Mr. ROSS (Souris): Go on; you are doing a great job.

Mr. SINCLAIR: Yes, a great job.

Mr. BENTLEY: My hon. friends of the Tory party are being facetious. After all, that is the final argument that they can fall back on, having nothing left of an intellectual nature.

Mr. ROSS (Souris): Time will tell.

Mr. PROBE: Time has told.

Mr. BENTLEY: We believe that the big business interests that I spoke of will go on to rule the Tory party, and they have a tremendous influence on our friends across the way. I am not the only one who believes that.

[Mr. Bentley.]

There are people in big business circles who believe that and I shall give some evidence to support it. I hold in my hand a booklet which has on the outside, "Policy declarations of the Canadian chamber of commerce, 1947 and 1948." I turn to page 15 for the evidence to show that they influence the government very heavily. I will quote from them to show what I mean:

In its 1947 submission to the Minister of Finance and the Minister of National Revenue, the executive committee of the chamber recommended abolition of the Excess Profits Tax Act, 1940.

Mr. PROBE: Strike one.

Mr. BENTLEY: To continue:

The chamber commends the government for the definite action taken in this regard.

They believe they had some influence there.

Mr. TUCKER: Are they the ones that got the British government to take the excess profits tax off there?

Mr. BENTLEY: I do not sit in the British House of Commons and the hon. member will pardon me if I do not act as an authority on them, like some of my more learned friends. I have not mentioned the British government in this house. Anyone here will know that I am one member of this house who never draws on any other country for his opinions. My opinions are altogether made in Canada by a Canadian on the things I believe should be done here. Now to go on with my evidence to show that big business plays an important part in government policy, I will quote some more from the same page:

The federal government is also to be commended for the steps taken thoroughly to review and overhaul the income war tax act, as urged by the chamber's 1946 annual meeting. The draft bill (No. 454) presented to the House of Commons on July 12, 1947, embodies a number of the chamber's recommendations. The opportunity to study this draft bill and to make further submissions, well in advance of final consideration by parliament, is appreciated.

Now, Mr. Speaker, let us see the other side of the picture. In other debates in this house I have pointed out what the organized farmers of the west, where I come from, want. So far they are getting very little of it. Organized business shows where it has influence on the government. The organized farmers are not yet quite so successful.

Now we will deal with organized labour. I have a letter written to members of the House of Commons and members of the Senate of Canada, signed by Pat Conroy, secretary treasurer of the Canadian Congress of Labour. It is dated February 25, 1948,

and is marked from 230 Laurier avenue east, Ottawa, Ontario, which I believe is their headquarters. The second paragraph reads—and I want to point out to everyone here that the Canadian Congress of Labour has a larger membership than the Canadian chamber of commerce.

An hon. MEMBER: You are a good guesser.

Mr. BENTLEY: Perhaps my hon. friend could make a better guess. He is full of wisdom. However, we will see what the Canadian Congress of Labour says in this letter.

> At the last session of parliament, the government introduced a collective bargaining bill, and at hearings of the standing committee of the House of Commons on industrial relations, the congress made a critical analysis of the proposed legislation, pointing out that it was unsatisfactory in a great many respects. This bill was not proceeded with, and it is understood that a similar bill will be introduced by the government in the near future.

In the one case the chamber of commerce congratulates the government because they removed one feature that the chamber dislikes and gave them an opportunity to make submissions for the removal of some more. The Canadian Congress of Labour, a working man's organization, consisting of people who slug it out for a living, states that the government will bring in the same thing this year as they brought in last session in spite of the critical analysis to which the Canadian Congress of Labour subjected their labour bill last year. Is there anything more needed to support the statement I made that these two old parties are both governed by the same central commercial hierarchy?

Mr. CASE: May I ask a question?

Mr. BENTLEY: You may.

Mr. CASE: Has the hon. member made a comparison of the progress that organized labour has made under democratic government with the progress it has made under socialistic government?

Mr. BENTLEY: There are only a few democratic socialist governments in the world.

Mr. SINCLAIR: They have all turned commie.

Mr. BENTLEY: Oh, no, they have not. Name one.

Mr. SINCLAIR: First of all, you have the socialist democrats and then the commies moving in. Czechoslovakia is the latest example of it.

Mr. BENTLEY: In the British commonwealth of nations we have had socialist governments in Australia and New Zealand for years and they have not yet turned to anything else.

Mr. COLDWELL: Read the result of the Wigan by-election yesterday and see how many communist votes there were.

Mr. BENTLEY: There have been socialist governments in Sweden, and in Norway today.

Mr. TUCKER: Sweden is getting worried today. It is people like you that put the communists in power in Czechoslovakia.

Mr. PROBE: So is the hon. member for Rosthern getting worried.

Mr. TUCKER: It is such people that put the communists into power in Czechoslovakia.

Mr. IRVINE: Make your own speech and shut up.

Mr. BENTLEY: May I proceed, Mr. Speaker, or will you take five minutes off my time?

An hon. MEMBER: We'll give you six months if you want.

Mr. BENTLEY: I believe it was a crown prosecutor who said that. He is no doubt used to that remark.

What I was trying to say is this. I am not comparing Canada with some other place. I have no affiliations with another country. Two hundred years of Canadian ancestry has removed me from any possible chance of saying that I have a fatherland or motherland somewhere else. I have lived very little of my life outside, except when I have travelled to see something else. I have no intention of leaving Canada, because I like it. But I do not want Canada to be compared with other countries. I only want to make this comparison: What is Canada capable of doing and what is she doing? If these things compare favourably I am agreeable; if they compare unfavourably I am not agreeable and will continue trying to have them favourable. I state that even though we have made advances under our democracy, and have made many improvements—I would be the last one to deny it—there are still many things more we want to have done; and if I thought it was of any use, Mr. Speaker, I would change my tone from accusation to one of pleading. I would beg of these people who so far have represented one or the other type of government that we have had here, and both of which mean the same thing, to change their course, stop taking their orders from the Canadian chamber of commerce and start

taking suggestions from the farm organizations and the labour organizations in this country.

If I thought it would produce any softening of their hearts, any lessening of their desire to be the bosses of mankind, to be the brass hats and established bureaucrats by divine right; if I thought anything would make them feel that way I would plead with them, even though it robbed me of dignity. I would gladly relinquish dignity in the interests of my fellow-Canadian wage earners and farmers.

Mr. SINCLAIR: That is very touching.

An hon. MEMBER: We take suggestions from our constituents.

Mr. BENTLEY: And from the Canadian chamber of commerce.

Mr. TUCKER: Will the hon. member permit a question?

Some hon. MEMBERS: No.

Mr. TUCKER: Does the hon. member not admit that the government has accepted suggestions, for the last five or six years, steadily from the Canadian Federation of Agriculture, and has that body not so stated in its annual submissions to the government?

Mr. SINCLAIR: Last month.

Mr. BENTLEY: Did the government take, in regard to coarse grains—

Mrs. STRUM: And the price of barley.

Mr. TUCKER: Why don't you let the bill go through?

Mr. BENTLEY: There have been a few minor things and one major thing done that organized farmers asked for. Organized farmers asked for years for wheat and grains to be marketed by the Canadian wheat board, but the government refused from 1935 until September, 1943, to do this, and then only did it because a situation in the transportation field during those war years made it imperative. It was not done at the request of the organized farmers. I know that story too well. The government has done some minor things, but in the major fields it has yet to do anything, and I will now mention some of them. I wish I could deal with the amendment moved by the hon. member for Red Deer (Mr. Shaw). There was a great deal of it that I would have been happy to support, but unfortunately I shall not be able to deal with that as I should have liked to. Nevertheless I can mention a few things about it that are worthwhile when we come to them.

We would have been glad to have supported it, even though it did not do all the things that we would like done, nor did it do those things that would have been done under it in ways that we would have liked best. But, unlike the leader of the opposition, we are too anxious to see come out of this debate some good for the Canadian people to quibble about little things, and we are not prepared to allow some political differences to prevent us from assisting another political party with a good idea along the lines we believe in.

Mr. TUCKER: You are not wearing your halo today.

Mr. PROBE: He is showing you how to make a speech some day.

Mr. TUCKER: I am afraid I might make the same mistake as you made.

Mr. BENTLEY: The hon. member for Rosthern (Mr. Tucker) is suggesting that I am not wearing my halo today. I am doing my best in my own humble way as a citizen to earn a halo some day. So far it has not been granted to me and, according to the doctor's advice, unless an accident happens I am not likely to achieve that in the near future. But in the meantime, as I say, I will continue to do my humble best to work in the interests of the people of this country who do the work.

Mr. SINCLAIR: Very touching.

Mr. BENTLEY: Yes; that is something which my hon. friend across the floor is utterly incapable of understanding.

Mr. SINCLAIR: You will break your collarbone trying to pat yourself on the back.

Mr. CASTLEDEN: He is waiting for Mr. Johnston to do that.

Mr. BENTLEY: I should like to remind my hon. friend who walks out of the house when he cannot have his own way, that there is no such thing in Canada as a C.C.F. Liberal coalition government, and there will not be.

Mr. SINCLAIR: God forbid.

Mr. BENTLEY: God forbid is right. We are happy to have heard that you believe in your coalitions that you have in British Columbia and wherever you think you can get together.

Mr. SINCLAIR: Will the hon. member permit a question? I was going to ask the hon. member whether he was aware that there were two coalitions in British Columbia. In the last provincial by-election there was the coalition of Liberals and Tories and there was the coalition of the L.P.P. and the C.C.F. in both Saanich and Cariboo.

Mr. PROBE: That is a lie.

Mr. SINCLAIR: It is not a lie.

Mr. BENTLEY: There is no such thing.

Mr. SINCLAIR: The L.P.P. collected money for the C.C.F., and the only thing that made the C.C.F. mad was that they could not get their hands on it.

Mr. COLDWELL: A coalition requires agreement. There is repudiation on our part.

Mr. BENTLEY: That is the kind of question that we can expect from the hon. member gentleman who behaves as he sometimes does in the house.

Mr. PROBE: He is just not mature.

Mr. BENTLEY: In the amendment moved by the hon. member for Red Deer there are a number of things that we would have liked to see. We believe that the things contained in the first paragraph are absolutely essential to this country, and if it is out of order to move them as an amendment or a subamendment to the motion for an address in reply to the speech from the throne, then I hope the government will at least take note of them and start to set up machinery to put them into operation. We could agree with paragraph (b), although I would have wished that he had added a little bit more to it; because in paragraph (b) he suggested the elimination of the sales tax and substantial reductions in excise, processing and all other hidden and nuisance taxes. I wish he had added in there, a substantial reduction in the existing excise tax and an undertaking that no new excise taxes will be imposed by the proposed legislation which we were told last night will follow this debate.

Mr. CASTLEDEN: To impose an excise profit tax.

Mr. BENTLEY: Yes. Turning to paragraphs (c) and (d), we would have liked to see that a little more extensive to include a number of other people. For instance, we would have liked to see it include veterans on pension, veterans dependents, and veterans on war veterans allowance. In that connection I would have liked to see veterans on veterans allowance paid their allowance, regardless of whether they live in Canada or in foreign lands. Some of our veterans whose pensions are small, but who have reached the age of sixty entitling them to war veterans allowance, because of the condition of their health have to live in Arizona or some place else, are unable to get war veterans allowance. I think that is a restriction that is absolutely unfair. I would have liked to see the provision I mentioned included there. We would have liked to see the non-pensioned war widows included and pensions for the spouses of all old age pensioners, even though the spouse is younger than the pension age required.

We regret that the speech from the throne did not contain any suggestion that there were to be amendments to the Prairie Farm Assistance Act, to make it more equitable, that it be paid on an individual basis. There was no suggestion in the speech from the throne that the government intends to set up a federal co-operative act. Everybody loves it. The Minister of Agriculture (Mr. Gardiner) says he fathers it and has all through the years; but when it comes to the point of doing something about it, actually to breathe some life into whatever he has produced so far, nothing has taken place. We should like to see that. We should like to see a federal marketing act. I could spend quite a bit of time in telling why we want it, but the agricultural people of western Canada want it badly.

Mr. DEPUTY SPEAKER: Order. I must inform the hon. member that his time has expired.

Mr. BURTON: Oh, give him fifteen minutes extra for all the interruptions.

Some hon. MEMBERS: Go ahead.

Mr. BENTLEY: I am in your hands, Mr. Speaker.

Some hon. MEMBERS: Question.

Mr. DEPUTY SPEAKER: Only with the unanimous consent of the house may the hon. member continue.

Mr. IRVINE: He has it.

Some hon. MEMBERS: No.

Mr. COLDWELL: I would not ask for any more time, if I were you.

(Translation):

Mr. GEORGES-H. HEON (Argenteuil): Mr. Speaker, although the fact may annoy and irritate those of a fanatical and narrow turn of mind, and recent happenings show that, unfortunately, such people are still found among us, Canada officially recognizes two languages, French and English, granting to both equal rights and equal consideration and making neither dependent to the other.

Therefore, if I choose to express myself in the language spoken by the discoverers of this country, I need neither apologize nor ask

anyone's permission. Some hon. members within hearing may perhaps not have the opportunity or the good fortune of speaking or understanding the French language, but if they are steeped in the history of our country and in the principles of etiquette and courtesy, they will respect the sacred rights of the language I am proud to use and allow me to speak without interrupting me. This is a purely hypothetical suggestion, but should the audience number some ignorant and intoxicated noisemakers hating everything that is French, they would doubtless attempt to silence me, thus giving vent to their contemptible feelings, by using the trick of gibbering and incomprehensible interruption, or by raising some useful but well-worn technical objection.

In the latter case, all those who, like me, cannot disown the blood which flows in their veins and recall with pride their French origin, would leap in anger at this insult and remind interrupters in plain language that as long as there remains one French-speaking Canadian in this country and one French-speaking member in this house, the French tongue will be spoken, honoured and respected.

We are neither poor relations nor valets nor a conquered people in this country of ours, in any of the provinces or in this house, but equal partners and associates.

There is ample evidence in the political history of Canada to show that Canadians of French origin have always acted in a spirit of conciliation, very often to their own detriment. They have always expressed a sincere wish to work in harmony with their fellow-countrymen of other races in building a strong, united and autonomous Canadian nation. But they are firmly resolved that their right to speak their own language anywhere should be respected. There can be no compromise on this point.

Mr. Speaker, during the course of this debate, fortunately drawing to a close, we have heard many speeches. Some have been excellent, such as the one delivered by my hon. friend from Lake St. John-Roberval (Mr. Dion); others were open to criticism. I wish to refer briefly to the speech of the hon. member for Gaspé given on Monday March 1, 1948, and which *Le Devoir* of March 2, 1948, described as a "bad speech" acompanying a "bad deed." In his all-out attack which undoubtedly caused the absentees concerned to tremble with fear, the speaker directed his big electoral guns against Messrs. Duplessis, Sauve and Chaloult. He was particularly critical of certain parts of the two latters' speeches. It is rather surprising that the official opposition in the Legislative Assembly did not elaborate further on the member for Gaspé's speech and follow suit. They have there, indeed some dangerous challengers and we shall await impatiently to hear from the hon. Mr. Godbout and Jos. Francoeur. They will oppose Mr. Chaloult on immigration and civil service and Mr. Sauve on the subject of Canada's war effort.

As for the criticism directed by the hon. member at the Hon. Paul Sauve's remarks, let me remind him of a thing or two, even though I have no intention of embarrassing him with certain unpleasant memories. Not far away from where he sits in this chamber there are some supporters of the government, who, during the sessions of 1939, 1940, 1941, 1942, 1943 and especially 1944, when conscription had to be voted by the government of the day, were most bitter in their condemnation of our participation and used much more violent language in speaking of their own leaders than did Mr. Sauve. If my hon. friend and those who sit with him, wish to criticize the speeches which may have been made on the part we played in the war, why does he not begin by cleaning up the ranks of his own friends, if he is so exasperated by criticism of our war effort? He could find all the subject-matter he could wish to speak on if he were only to consult the official report for those sessions. If he cannot find it, I shall only be too happy to give him the reference in a subsequent speech.

(Text):

As I rise to address the house briefly, Mr. Speaker, may I immediately, both on my own behalf and on behalf of the population of the historic constituency of Argenteuil which I am proud to represent in this parliament, pay a most respectful tribute to the memory of a distinguished Canadian, the late Lady Perley, wife of my immediate predecessor the Right Hon. Sir George Halsey Perley.

Lady Perley spent her life in promoting, encouraging and supporting, financially and otherwise, innumerable social, charitable and welfare organizations, particularly in her own city of Ottawa which she loved and served so faithfully and well.

During the long period while her husband acted as federal member for Argenteuil, Lady Perley took a very active interest in the social, educational and economic welfare of the constituents of Argenteuil. And while Sir George Perley acted as high commissioner in

London, and overseas minister of militia during the first great war, Lady Perley gave unstintingly of her time and money to entertain the Canadian troops at Canada House in London and, generally, to assure their welfare through the various auxiliary services, as many old veterans will surely recall.

It is not unfair to affirm that the distinction, the charm and the devotion of Lady Perley contributed immensely to the splendid achievements of her distinguished husband in the realm of public and social services to his fellow-countrymen. The Perley name will ever remain beloved and respected in the constituency of Argenteuil and in the city of Ottawa, although both "Sir George", as he was affectionately called, and his devoted wife, have passed away.

The speech from the throne contains a thinly-veiled warning as to the dangers of the international situation, and it is evident that all classes of our population have become keenly worried and anxious as to the possibilities of another conflict. I trust that very soon the government will make a clear and positive statement of the true situation that exists so that the country will know definitely, as is its absolute right, whether there will be an enduring peace, a cold war or another armed conflict: There is no need or place for an iron curtain in Canada.

Be that as it may, one must strain his imagination considerably to remain optimistic as to the ultimate alternative which can only be a choice between serfdom and freedom. When I speak of freedom I speak of the only true freedom which was implanted in the soul of man by his Creator, a freedom built on the spiritual destiny of mankind, freedom for which a son of God died on Calvary. Let us not prostitute the word "freedom". It has never meant licence and lawlessness, seditious utterance or conspiracy against religion, constituted authority, our Christian way of life, our free institutions. We pray it will never mean the exploitation of the many by the few, of the poor by the rich, of the humble by the mighty, of labour by capital or of capital by labour.

Thus, whilst in our midst we are whittling away our freedom and squabbling as to its true meaning, the forces of evil and serfdom—they are one and the same—are rolling westward in Europe and eastward in Asia. Here is the score as, in baseball parlance, we go to bat after the disastrous Czechoslovakian inning. I shall refer first to Poland. However, because Poland has come to the fore on account of the hidden treasure episode, I do not intend to rely upon my own opinion, but rather will I quote from outstanding authorities, the first being Raymond Leslie Buell, adviser to Time Incorporated on foreign affairs. He wrote the following which appeared in the *American Mercury* of March, 1946:

If world war II has any meaning it is that the people of Poland and other victims of axis aggression should have the right to choose their way of life and their economic and political system. But this right has been denied to the people of Poland. Today they are being subjected to a reign of terror imposed by a communist minority backed by Russian force. Those Poles who believe in the independence of their country are systematically being liquidated. It is my considered judgment that the present fate of Poland is one of the great outrages of history.

Gladwin Hill of the New York *Times*, after a visit to Poland, wrote the following which appeared in the New York *Times* of October 17 and 24, 1947:

Behind the facade of a "coalition" government consisting of four "fake" parties, Poland today is ruled by three communists, members of the old comintern and citizens of foreign countries. These are Bodeslaw Bierut, president of the national council, a citizen of Soviet Russia, Wladyslaw Gomolka, vice premier of Poland but a citizen of France, and Stanislaw Radkiewicz, minister of public security, a man who hardly knows Polish and who is a high official in the soviet political police. In fact, soviet employees, who are unseen from the outside, are in charge of all Polish governmental agencies.

There exists in Poland a "subtle reign of terror" with possibly 100,000 political prisoners in jails and concentration camps, whose only offence is opposition to the "current communist dominated regime." Poland is in the throes of an intense political struggle. It is a struggle led by Moscow trained communists to get permanent political control of a country that is historically conservative. The Russian troops which stand back of this communist dominated regime are stripping Poland of industrial plants, cattle and numerous other articles, thereby deepening terrible economic distress.

Finally, this is a quotation from R. H. Mackham, Balkan expert of the *Christian Science Monitor*, who writes:

Bodeslaw Bierut, one of the leaders of the third international, is the despot of Poland.

Is it small wonder then, in view of these statements, that some of us, much like the nuns of the Hotel Dieu, are wary of striking a bargain with these individuals?

Let us consult again our score cards:

In Yugoslavia, Joseph Broz, another member of the third international, is the absolute dictator.

In Hungary, Maty Rakosi, still another member of the third international, has stolen from and robbed Hungarians of their freedom.

In Roumania, Alma Pauker, woman member of the third international, is the undisputed boss of 16,000,000 Roumanians.

In Bulgaria, George Dimitroff, leading member of the third international, is the master of 8,000,000 Bulgarians.

In Austria, Ernst Fisher
In eastern Germany, Wilham Piech
In Italy, Togliatti
In France, Thorez
In Finland, Kuusinen
In Greece, Zachariades and Villafides
In China, Mao-tse-tsung

are all members of the third communist international and are plotting day and night to turn over their country to the forces of evil and the enemies of freedom.

Mr. GAUTHIER (Portneuf): Does the hon. member say that Togliatti and Thorez are the chief communistic authorities in Italy and France?

Mr. HEON: I have not made that statement. I have said and repeated that Thorez in France and Togliatti in Italy, with others, are working towards the establishment of communist-dominated regimes in those two countries.

Mr. GAUTHIER (Portneuf): That is what I wanted to know.

Mr. HEON: Are we agreed?

Mr. GAUTHIER (Portneuf): Yes.

Mr. HEON: Thank you.

Finally, Mr. Speaker, there is Czechoslovakia. What a tragedy, yet what a lesson for all countries still remaining free! Mr. Benes and his associates failed to listen to the advice of those who warned him that one cannot serve God and Satan, and he chose instead to negotiate, to compromise, and to trust those evil forces whose amoral code is based on treachery, deceit, liquidation and the obliteration of Christianity, decency and freedom. Where do Mr. Benes and the Czechoslovakian population find themselves today? Exactly where all other nations and individuals have found themselves when they trusted and believed in the lies and cajoleries of the Marxian and Leninist enemies of Christian freedom.

But, tragic and regrettable as the Czechoslovakian robbery may be, it will serve some purpose if it is taken as a final warning by those governments and peoples in all the lands where the light of freedom still remains unextinguished. Shall our own country, Canada, ever become infested with or subservient to these same atheistic, destructive forces? The answer will be in the negative, provided that we rededicate ourselves to the cause of Christian freedom and see to it that we do not foster religious, racial or class hatred. Marxism and Leninism can never take root in a country where the people go reverently and regularly to church, draw adequate wages, are properly housed and educated, and are free to move and do as they please; but insufficient wages, profiteering, slums and ignorance are the breeding grounds of bloody revolutions and the dictatorship of the proletariat.

It is then the duty of everyone of us here, Mr. Speaker, to proclaim freedom; but that is not sufficient. We must always legislate and administer to sustain and extend freedom.

The house divided on the amendment (Mr. Bracken) which was negatived on the following division:

YEAS

Messrs:

Adamson	Homuth
Archibald	Jackman
Argue	Jaques
Ashby	Knight
Barrett	Kuhl
Bentley	Lennard
Black (Cumberland)	Low
Black (Yukon)	McCuaig
Blackmore	McCullough (Assiniboia)
Blair	Macdonnell (Muskoka-Ontario)
Boucher	McGregor
Bowerman	MacInnis
Bracken	McKay
Bradshaw	McLure
Brooks	MacNicol
Burton	Marshall
Campbell	Massey
Cardiff	Menary
Case	Merritt
Casselman	Moore
Castleden	Murphy
Charlton	Nicholson
Church	Pearkes
Cockeram	Probe
Coldwell	Quelch
Coyle	Robinson (Bruce)
Daniel	Ross (St. Paul's)
Diefenbaker	Ross (Souris)
Drope	Shaw
Fair	Skey
Ferguson	Smith (Calgary West)
Fleming	Stanfield
Fulton	Stephenson
Graydon	Stokes
Green	Strum, Mrs.
Hackett	Townley-Smith
Hansell	Tustin
Harkness	Webb
Harris (Danforth)	White (Middlesex East)
Hatfield	Wright
Hazen	Wylie—85.
Henderson	
Hlynka	
Hodgson	

NAYS

Messrs:

Abbott	Bertrand (Prescott)
Arsenault	Black (Chateauguay-Huntingdon)
Baker	Blanchette
Beaudoin	Boivin
Beaudry	Bonnier
Belzile	Bradette
Bertrand (Laurier)	

Breithaupt	Jutras
Brown	King, Mackenzie
Chevrier	LaCroix
Claxton	Lafontaine
Cloutier	Lalonde
Coté (Matapedia-Matane)	Langlois
Coté (St. Johns-Iberville-Napierville)	Lapointe
Coté (Verdun)	Laurendeau
Croll	Leger
Cruickshank	Lesage
Dechene	McCann
Denis	McCulloch (Pictou)
Dickey	McIlraith
Dion (Lake St. John-Roberval)	McIvor
Dionne (Beauce)	MacLean
Dubois	MacNaught
Emmerson	Maloney
Eudes	Marier
Fontaine	Marquis
Fournier (Hull)	Martin
Fournier (Maisonneuve-Rosemont)	Matthews (Brandon)
Gardiner	Maybank
Gariépy	Mayhew
Gauthier (Nipissing)	Mitchell
Gauthier (Portneuf)	Mullins
Gibson (Comox-Alberni)	Mutch
Gibson (Hamilton West)	Picard
Gingues	Pinard
Gladstone	Power
Golding	Reid
Gour (Russell)	Richard (Gloucester)
Gourd (Chapleau)	Richard (Ottawa East)
Grant	Ross (Hamilton East)
Gregg	St. Laurent
Hallé	Sinclair
Harris (Grey-Bruce)	Sinnott
Hartt	Smith (York North)
Healy	Stuart (Charlotte)
Howe	Tremblay
Ilsley	Tucker
Isnor	Viau
Jean	Warren
	Weir
	Whitman
	Winkler
	Winters—101.

Mr. MACDONALD (Brantford City): I was paired. Had I voted, I would have voted against the amendment.

Mr. GAGNON: I was paired with the hon. member for Parry Sound (Mr. McDonald). Had I voted, I would have voted for the amendment.

Mr. F. D. SHAW (Red Deer): It has been intimated to me during the past several hours that a number of government members are profoundly sorry that they have been deprived of the opportunity of supporting my sub-amendment.

Some hon. MEMBERS: Name them.

Mr. SHAW: During the last several weeks speeches which have emanated from that quarter have indicated that hon. members are conscious of the fact that the electors back home are, in the first place, dissatisfied with the prevailing high rate of taxation. They are dissatisfied with the low exemptions at present in force under the Income War Tax Act. Hon. gentlemen have also indicated that their electors are demanding the elimination of the sales tax. They have indicated their realization that demands back home are also being made for reductions in the excise tax and in other taxes as well. A number of them have referred to the necessity of making revisions in the Family Allowance Act, in some instances for the purpose of removing anomalies and in other cases for the purpose of making larger payments under that act.

Certain hon. members have seen fit to rise in their places and protest against the shabby treatment which is still being accorded our pioneer citizens. I have heard many of them protest against the eligibility age as being far too high. I have heard many of them protest against the means test. They have also lifted their voices in opposition to the fact that the wife of a pensioner, if she is under seventy years of age, is not at present eligible for a pension.

Many statements have come from quarters opposite, sympathetic toward disabled persons in this country who, in consequence of their disabilities, are unable to secure a decent standard of living. Moreover, we have heard assertions in support of certain subsidies, selected subsidies, if I may call them that, which would have the effect of reducing living costs for many of our people.

It is a fact that the people of Canada, and more especially those in the lower income tax brackets, have been pleading with the government for relief from the very great burden of living costs under which they at present suffer. This heavy burden has resulted directly from government policy or, I might say, from the actions of men. It can be eased—there is no question about it—and made more bearable by immediate changes in policy. Hon. gentlemen on the front benches opposite are the only ones who are in a position to make those changes.

The people of Canada, in overwhelming majority, have demanded lower living costs. We know, as members of parliament, the number of communications we have received in this respect. Many of our people have been led to believe that the only method by which we can reduce these living costs is through the reimposition of price controls. The government has taken the position that in peacetime the people of Canada would not submit to an overall system of price controls, and we have admitted that perhaps the government is right in that stand. But this does not mean that there is not another way of effecting the same result, namely, a lowering of living costs for Canadians.

I should like to point out that since the government considers it impractical to reimpose price controls, then the logical thing is for it to approach the matter from another point of view. If the government cannot bring down prices so as to make it possible for all Canadians to enjoy a decent standard of living, it can surely go a long way toward establishing at least a minimum income for all Canadians, an income that will furnish that decent standard of living. The government stands condemned in the eyes of the Canadian people. Why? For its failure to take the action which could achieve that result, namely, the lowering of living costs and the establishment of a decent standard of living.

Some specific things the government could have done are embodied in the amendment to the motion which I should like to move. Before moving it, I should like to say this. The amendment is not intended to be by any means a complete list, but at least it does indicate a method by which the government of Canada could reduce the living costs of all Canadians by at least twenty per cent. At the same time I am sure that the government could be dispensing something like social justice for thousands of our aged people, for our veterans and their dependents, and for the blind and helpless adults who are now without an adequate means of support. So, Mr. Speaker, I should like to move, seconded by the hon. member for Peace River (Mr. Low), that the following be added to the motion:

We respectfully submit to Your Excellency that Your Excellency's advisers should have given assurance to this house that legislation would be submitted during the present session, whereby the following results would be achieved, as a contribution towards meeting the crisis in living costs, and towards stabilizing the Canadian economy:

(a) Exemption from income tax on incomes of married persons of $2,400 and less, and of single persons of $1,500; these to be progressively increased to $3,000 and $2,000 as production increases in relation to demand.

(b) Elimination of the sales tax, and substantial reduction in excise, processing and all other hidden and nuisance taxes.

(c) Substantial increases in family allowances; increases in old age pensions, together with elimination of the means test and a reduction in the pensionable age.

(d) Adequate provision for all disabled adults.

(e) Selective subsidies, especially on food products and necessities of living.

Before sitting down, I should like to emphasize to hon. members opposite that they are fully conscious of the fact that this amendment embodies the demands which are now being made by the people back home. They know it. This is their opportunity to prove that they are conscious of their demands and that they are prepared to support them. I am much afraid that those who oppose the amendment can be charged by the people back home with closing their eyes to their demands and supporting the party.

Mr. M. J. COLDWELL (Rosetown-Biggar): I first want to make a brief comment, Mr. Speaker, on the amendment which has been moved. Yesterday afternoon the house voted on an amendment I moved sometime ago in effect asking for the reimposition of price controls and subsidies. The government and the house have not approved that proposal. Consequently, under the circumstances under which most of the Canadian people now live, with the climbing costs of living and the insufficiency of wages, salaries, pensions and so on, to meet the increased cost of living, it seems to me that my hon. friends of the Social Credit party have moved an alternative which must be considered by both the government and the house. If you are not going to prevent the costs of living from rising, of necessity you must give these groups to whom I have referred more in the way of purchasing power in order to buy the necessities of life. Consequently, as an alternative to the suggestion that we made to the house, we shall support that amendment.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

NATIONAL GENERAL INSURANCE COMPANY

Mr. D. F. BROWN (Essex West) moved the second reading of Bill No. 48, to incorporate National General Insurance Company.

Mr. GORDON GRAYDON (Peel): Mr. Speaker, I take it that the hon. member who is introducing the bill and moving second reading will perhaps wish to have an opportunity of explaining it. I do not think we should deny him that opportunity.

Mr. BROWN: Mr. Speaker, this is the usual procedure in the incorporation of a dominion company. At the present time there is such a company in Manitoba, known as the National General Insurance Company, and it is now doing business in that province.

The present application is made because of the expansion in the business of the company. It is necessary to incorporate as a dominion

company, and to refinance. This is in the form provided by the Canadian and British Insurance Companies Act. The bill is for the purpose of authorizing the company to carry on business in all classes of insurance, with the exception of life insurance. One section of the bill provides that the head office of the company shall be at Winnipeg. I would have it in Windsor, but I cannot do anything about that. It has to be in Winnipeg.

Mr. BRYCE: Winnipeg is a much better place.

Mr. BROWN: That, of course, is a matter of opinion, which the hon. member for Selkirk may enjoy.

Mr. MacINNIS: Is it sufficient to defeat the bill?

Mr. BROWN: I doubt it, under the circumstances.

Motion agreed to, bill read the second time and referred to the committee on banking and commerce.

THE TRUST AND LOAN COMPANY OF CANADA

Mr. ROCH PINARD (Chambly-Rouville) moved the second reading of Bill No. 59, respecting the Trust and Loan Company of Canada.

Mr. COLDWELL: Will the hon. member explain?

Some hon. MEMBERS: Explain.

Mr. PINARD: Mr. Speaker, I shall try to be as brief as possible. This is a simple bill, one which provides for the reduction of both the paid-up and authorized capital of the company.

This company was incorporated more than one hundred years ago, in the year 1843, by VII Victoria, chapter 63. The company's corporate powers were extended on several occasions, and its name was modified by a Canadian statute.

The proposed reduction is explained carefully in the bill. If hon. members will refer to it they will find that under the plan of reorganization the company's paid-up capital will undergo a reduction from £1,986,930 to £1,103,025 and that its authorized capital will be reduced from £5,000,000 to £2,503,025.

I shall explain briefly the reasons for the proposed reorganization and reduction of capital. In its last balance sheet as of March, 1947, the company showed very small liabilities against quite considerable assets. In the said balance sheet the total investments of the company amounted to £1,025,376 in British securities and £223,711 in Canadian securities. As against these investments the balance sheet showed only a comparatively small liability of £90,047, which at the time consisted almost entirely of income tax liability, which was paid since.

The second reason for asking for this reduction in capital is the fact that, according to the foreign exchange regulations now prevailing, the company has no authorization to convert its British securities into Canadian dollars. The company feels, therefore, that it has too much capital at the present time for its normal operations. I believe that is the main reason it now asks for this reduction in capital.

I would also add that there is in the balance sheet a certain amount of money consisting of shares which were forfeited for non-payment of calls, and as a consequence the company intends that these shares be cancelled and that this money be transferred to its reserve account.

I believe these explanations have covered sufficiently the principle of the bill. I might add that the Canadian shareholders will be protected, because the return in capital resulting from the reorganization will be paid in Canadian currency. I am moving, therefore, that the bill be referred to the standing committee on banking and commerce, before which committee, if other information is required, counsel and possibly myself will be in attendance to give the required information.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

SECOND READINGS

Bill No. 49, respecting the Eastern Trust Company—Mr. Isnor.

Bill No. 50, respecting the Ruthenian Catholic Mission of the Order of Saint Basil the Great in Canada—Mr. Hlynka.

Bill No. 115, to incorporate People's Fraternal Order—Mr. Croll.

BELL TELEPHONE COMPANY OF CANADA

The house resumed from Friday, February 27, consideration of the motion of Mr. Rinfret for the second reading of Bill No. 8, respecting the Bell Telephone Company of Canada.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I was not able to be present last Friday night when some reference was made to this bill. I do not wish to go over the ground covered by the sponsor of the bill, who quoted from the Canada Year Book and gave some of the history of the venture. He did not tell

the house that this matter had been before parliament in 1928. The company has not expended all the money which it now has. It is proposed to increase the capital by $350,000,000, which will give it a total capitalization of half a billion dollars.

This company operates a monopoly which concerns every telephone user in Ontario and Quebec. Some of the other provinces have telephone systems of their own. When the hydro electric movement was under way back in 1907 and 1908 it was proposed by Sir Adam Beck to have public ownership, not only of light and power, transportation and radials, but of telephones. It was proposed that the same poles would carry the wires for the radial railways, the telephones, the electric light and all that kind of thing. A good job was accomplished in the province in the way of providing cheap power and light, but unfortunately the rest did not go through.

The subject matter of Bill No. 8 was before the House of Commons in 1928. At that time the bill was opposed by some of the newspapers in the Toronto district, because permission was being asked to increase the capital from $75,000,000 to $150,000,000. In 1928 an elaborate discussion of this matter took place in this house lasting for many weeks and months. In considering the principle of this bill you will have to look into the history of the company from the time of its inception. This company has a subsidiary known as Northern Electric, which at that time was a United States trust.

When I first entered parliament in 1921 this proposal was before the house. The first application to amend the Railway Act was made in 1907, 1908, 1909 and 1910. At that time the board of railway commissioners had no jurisdiction over express and telephone companies. After a long fight led by some of the Toronto papers, by the late W. F. Maclean, M.P., and by myself as an alderman, the Railway Act was amended to give the board of railway commissioners jurisdiction over express and telephone companies.

An application was made under that particular act by the city of Toronto to the board of railway commissioners. An elaborate investigation was carried out by Clarkson, Dilworth and Company, chartered accountants. I would refer the house to *Hansard* of April 10, 1928. The discussion on the bill to increase the capital to $150 million went on for several months and finally it was put over by this house until the 1929 session.

I should like to look at this bill for a few moments to see what it proposes to do. This bill was introduced last December in another place but no section of it received any detailed examination or consideration there. It was read a second time, without any practical discussion, and referred to a committee. There was no discussion and then it came back on January 29 and was read the third time without a word of explanation. That type of proceeding is not in the interests of the high court of parliament, especially when it concerns giving this monopoly company power to increase its capitalization to half a billion dollars at a time when it does not need all that money and cannot get parts or equipment for a long time under the export and import dollar plan.

The company has enough money left to carry on all the work it can do for a year yet, and under Bill No. 3, which deals with exports and imports and other regulations, it cannot get parts. It cannot get material and many people cannot get telephones. The discussion the other evening dealt largely with quotations from the annual speech and report of the president and others of the Bell Telephone Company delivered at the annual meeting held recently. The estimate of expenditures for the next five years is as follows:

Right of way	$ 1,233,000
Land and buildings	42,260,000
Central office equipment	96,855,000
Station equipment	94,607,000
Exchange lines	86,518,000
Toll lines	25,605,000
General equipment	14,630,000
Total	$361,738,000

Dear knows where we shall be at the end of that time. As I said, away back in 1908 and 1909 it was proposed by Sir Adam Beck that telephones should be brought under the cheap light and power movement in Ontario. In 1928 I had the support of an old Liberal paper, the Toronto *Globe*. At that time the Toronto *Globe* was a good Liberal paper. At that time the question of the Northern Electric Company, which was a subsidiary of a United States company, was brought up. At that time the board of railway commissioners had no jurisdiction over the Northern Electric Company. A bill was brought before parliament to give the board jurisdiction, not only over the telephone company but over its subsidiary, the Northern Electric Company. I would refer hon. members to *Hansard* of May 18, 1928, page 3136, where there appear extracts on the Bell company application from the proceedings before the board of railway commissioners.

It was shown then that the American Telephone and Telegraph Company, through the control of Western Electric, held 43 per cent of the stock of Northern Electric. All patents involved belong to the American Telephone

and Telegraph Company. Under a contract made in 1923 the American Telephone and Telegraph Company get one and a half per cent of the gross revenue of the Bell Telephone Company. That amount was then being paid into the United States company which supplies the equipment needed by this company.

In 1909 the Toronto application came on for hearing before that great chairman of the railway board, the late Mr. Justice Mabee. Let me say that I am not opposed to private enterprise but I am opposed to over-capitalization and public utilities, melons and monopolies, and the more this is looked into the more you will find that what I say is correct. I remember when the Toronto Railway Company, with a light plant, the Toronto Electric Light, was trying to sell these two junk plants to our city for $32,000,000, although not worth a third of it. If that had gone through we would have had to pay twenty-five cents for two tickets on the street railway in Toronto, forever. But a great newspaper in the city of Toronto, the *Evening Telegram*, defeated it, and in opposing the over-capitalization of this railway, referred to my opposing that proposed purchase deal on the eve of an election in the city, on December 31, 1918, in these terms:

> . . . the support which J. Ross Robertson gave to the man who fought the battles of Adam Beck for the cause of hydro progress, and who almost single-handed and alone saved this city from bankruptcy, when T. L. Church beat back the purchase raiders in 1913-14.

If that sale of these two companies to our city had gone through we would have had two tickets for a quarter in the city of Toronto and we would not have owned the T.T.C. railway as we do today under the management of the newly formed Toronto transportation commission.

I would not oppose a reasonable application for increased capital by the Bell Telephone Company. It is a well-managed concern. It has some of the finest officers I know in the Toronto district. I would not complain about granting a reasonable increase of, say $100,000,000 for the next three years. That is all it needs, and it does not need even that much. It has enough capital to do it until the next session of parliament.

As I said, the Bell Telephone Company made application to increase its capital stock from $75,000,000 to $150,000,000 in 1928. An amendment was moved to limit the increased capitalization. The intention of the company was to split a melon of $75,000,000 on a five-to-one basis, and Ontario was to be made the goat of a melon split and to pay eight per cent a year, whereas the company's bonds got only 2½ per cent.

The Drayton-Acworth royal commission in 1917-18 inquired into the question of over-capitalization of railway companies, express companies and telephone companies, and they recommended that before any applications for increased rates or capitalization were granted by parliament they should be reported on by the board of railway commissioners for Canada. That recommendation has been violated in the present application. In the company's application in 1928 for increased capital the board of railway commissioners found that the Northern Electric Company, a subsidiary of the Bell Telephone Company, was outside its jurisdiction and could not be required to submit its records for inspection. The then member for South Toronto, Mr. Geary, introduced a bill in the 1928 session to amend the Railway Act to grant the railway commission power in relation to the investigation of subsidiaries of telephone or telegraph companies, like the Northern Electric. The bill proposed that section 375 of the Railway Act, chapter 170 of the Revised Statutes of Canada, be amended accordingly. The government of Ontario, with the city of Toronto, strongly opposed the application of the Bell Telephone Company to increase its capitalization to $150,000,000, and split a melon in Ontario. Their position is set out on page 1896 of *Hansard* of April 10, 1928. The discussion went on for days and months in the house, with the Ontario government opposing the application for more capital stock and for increased rates. The Ontario government was represented before the railway commission by Mr. Reid, who did well there. He saw fit to write a letter to the Toronto *Globe*, which was considered then to be the mouthpiece of the Liberal party, although, as I said in 1928, it had latterly been somewhat critical in its attitude toward its old-time friends. The Liberal party deserted Liberal principles. The *Globe* then was a supporter of public ownership of public utilities in Ontario, such as light, power and transportation, and telephones. Did the government lay down any policy in 1928 with respect to this handout, increasing the capital stock from $75,000,000 to $150,000,000? It was just a huge melon of $75,000,000 to be cut at the expense of telephone users in the city of Toronto and of all Ontario.

Of course the Bell Telephone Company has the right to operate under fair and proper conditions. When the application in 1909, during my term as alderman, came before the late Mr. Justice Mabee, I pointed out that it does not cost any more for your electric light because you are farther away from the power house; that it does not cost you any more

for your water because you are farther away from the pumping station; that it does not cost you any more for your gas because you are farther away from the gas house; and the chairman of the commission saw the point immediately. On the other hand, why should it cost you more for your telephone if you live farther away? It is just a system of poles, wires and electric instruments, and the free use of highways. There was a difference in the rates paid in many parts of Toronto in those days, north of Bloor, in Deer Park, North Toronto and many other parts now incorporated in the city.

I am speaking without preparation, but I remember in 1928 that Mr. Commissioner Lawrence of the railway commission asked some questions of the representatives who were opposing the application. The railway commission, under Mr. Justice Mabee, ordered a flat rate for telephone service for the whole of greater Toronto, reducing the rate from $75 in some parts of the city—I am speaking from memory—to $30, and I think $40 to $50 for business telephones. Deer Park and on up to Mount Pleasant cemetery on Yonge street were paying that higher figure, but a flat rate was ordered for the whole city. The telephone users in the riding of Davenport, which I used to represent in this house, were paying a very large sum for residential and business telephone service. If we had men like Mr. Justice Mabee, who was a strong chairman of the railway commission, there would be no objection to a reasonable increase in the capital stock of the Bell Telephone Company. I am not objecting to a reasonable increase, but I am objecting to over-capitalization and melon splitting.

In this country great corporations have acquired franchises with their heavy rates in light, power and transportation. We found that out in Ontario and in Toronto. We had to pay $32,000,000 for the power companies in the Niagara district. We took them over a few years ago, in 1921, and today, compared with rates under private ownership, rates for commercial and domestic lighting are about one-third of what they used to be. The money is put back into the pockets of the consumers, and power at cost established for the people.

Under our system of parliamentary government the consumer seems to be the forgotten agency. In recent years he has become the forgotten man. You do not consider him at all, but he is paying the taxes. I have been a supporter of reasonable private enterprise, but want it humanized, and with cheaper rates. I am not going to speak any further tonight. The bill is going to a committee. I would ask the house not to pay too much attention sometimes on bills like this to what they see in the newspapers. I had five of the six papers opposed to me when I opposed the purchase follies and when we were trying to take over the street railway. An effort was being made to sell a railway and electric light plant for $32,000,000, although they were not worth a third of it. They nearly got it through. The late Sir William Mackenzie was getting franchises all over this country. He was over-capitalizing and putting duplicate lines across the country. He was a skilled parliamentary diplomat and artist, but he found one city where he could not get past the ratepayers on his purchase deals.

I warn this house that if it authorizes this company to increase its capitalization to half a billion dollars it will mean an increase in tolls, and it is good-bye and good night to any chance of having any control or regulation for ever over this utility. Mind you, this is a very fine public utility. I have already said that. I know some of the officers and directors. It is well officered and well handled. During the discussion on Bill No. 3 the other day I congratulated them on one thing, namely, on their permitting their employees to get some of the capital stock and have better labour conditions. It is no wonder they can hand out some of their stock. The stock is to be split up and all that kind of thing.

I have given my reasons why I oppose this bill. We are on very dangerous ground to propose any such thing as capitalizing this company to the extent of half a billion dollars. They do not need it now. It is for five years, they say, to construct. We do not know who will own the country in five years the way things are going. We do not know whether we shall be here or not if we believe everything of the grave danger that the country is in today in foreign affairs. The leaders of the British parliament have already warned us of this gravity. This bill should go to the committee on railways, canals and telegraph lines. I do hope that that committee will give the bill better consideration than was given it in the other place the other day where they passed it in a very few minutes with no discussion on second reading, no discussion on third reading and all that kind of thing.

I ask for fair treatment for those who are opposing the bill. We do not expect to secure any advantage out of opposing the bill. It would be far better if I did not oppose the bill; it would be far better to leave it to some of the young members in the house who are

on so many committees, and in whom I have every confidence to protect the consumer.

As a supporter of the principle of public ownership of certain utilities, may I say that Ontario has been made the goat by this over-capitalization. We saw what happened in cheap light and power development and how it worked to the advantage of the consumers in Ontario. What was done there is just an example to the people of this country. Under over-capitalization the people do not own anything. The people should recover their heritage. After all is said and done, these magnificent natural resources of this country do not belong to United States capitalists; they belong to the people of this country and to all the people of the country. Political parties sometimes forget that this magnificent heritage is the property of all the people of Canada. That is what is causing so much communism in the country. There is a lot of talk about communism. While we here have not been friends of the communists, over-capitalization, high rates, putting large profits into the pockets of some of those who are making splits, the high cost of living and all that kind of thing, are factors in causing communism. That is one of the reasons for it. That doctrine has been preached in some of the pulpits of the country. You cannot blame them for getting down to brass tacks today when we see the things happening which I have mentioned.

From the Ottawa river to the Nipigon, the whole of new Ontario, to whom does it belong today, the mines, the waterpowers, the great natural resources, gold, copper, silver, platinum, lead, zinc, everything? Just get some of the financial books and see who owns it and where it is underwritten, not in Canada but in New York. While I welcome capital from everywhere to develop Canada, I believe in the policy of Canada for Canadians, for our own workmen, our own profits for our own people.

I do not object to newspaper criticism; far from it. I got nothing but criticism in the fight we had in Ontario and in our city. I am not asking for any favours. I strongly object to this parliament in the dying hours of parliament, because we shall not be here very much longer, giving this company half a billion dollars. The present parliament will cease to be a parliament before long. There will be an election, no doubt, at the proper time. I do object to giving this company $100 million increase. For what? They do not need it this year or for five years. If you gave them about $75,000,000 it would be more than they need for the next three years. The bill which had to do with exports and imports prohibits them from getting any material from the United States, anyway.

I ask for fair, square, honest, honourable consideration of this bill on its merits. Do not forget this: you have to be fair to the people who bore the burden of the day, and also the consumers. The Bell Telephone Company was a splendid organization during the war. It has good officials and directors; they are public-spirited citizens. I have no objection to them at all. This is one of the occasions when we should have a strong board of transport commissioners. If we had they could deal with these problems and would see that justice was given on the merits of the case. For that reason I have made these few remarks. Later I hope to make some further remarks, and I hope that perhaps other hon. members will say something about the matter.

Mr. M. J. COLDWELL (Rosetown-Biggar): This bill deserves more than a cursory discussion in this house on second reading. As the hon. member who has just taken his seat has said, this is an important bill respecting an increase in the capitalization of a very powerful, and if I may say so, a very efficient company, from $150 million to $500 million. That is an increase of $350 million in one bill. Since I have been in this house I know of no bill that has been passed which has permitted such an increase in capitalization as the bill now before us.

I want to compliment the hon. member for Broadview (Mr. Church), who has just taken his seat, on his long service to the country in defending public ownership of important utilities. I do not know of anyone in the country who has more consistently, in this house and outside it, supported the principle for which he has pleaded tonight than the hon. member for Broadview. I sometimes think it is strange that a gentleman who is a member of the Progressive Conservative party should be such a strong proponent of public enterprise. I do remember, of course—and I sometimes refer to it—that the great hydro-electric system in Ontario was largely established by gentlemen who shared the views of the hon. member for Broadview, and I only wish that that had been the trend of that party throughout the years.

Had it been, that party would have been in perhaps a very much different position from that in which it finds itself today. This bill will, of course, be carefully considered by a committee of this house, and I think all

the details of this proposal should be inquired into with extreme care by the members of that committee.

There is, however, one new clause in this bill to which I wish to refer particularly, and that is paragraph 5 on page 3 of the bill. It reads thus:

It is hereby declared that subject to the provisions of the Radio Act, 1938, chapter fifty of the statutes of 1938 . . .

And so on, the company has had and always will have the power to operate and furnish wireless telephone and radio-telephone systems and to provide services and facilities for the transmission of messages of various sorts which are enumerated in the bill, over wireless and radio. The explanation given reads:

This section is new. The purpose of this provision is to clarify the company's powers under its original act of incorporation with regard to the use of the latest and most improved means and inventions, including radio and wireless telephone and television in furnishing communication service and will make clear the company's position with regard to the use and operation of radio and wireless telephone in furnishing service to mobile stations and to remote communities where the construction of wire facilities may be impracticable and in interconnecting its wire facilities with radio links.

This is an important new section in this bill that should not be passed over lightly. In the radio committee, from time to time, I have quoted a great deal from speeches of various hon. members who were here when the Radio Act was passed and particularly perhaps from the speeches of the then leader of the opposition, the late Viscount Bennett, then the Right Hon. R. B. Bennett. Hon. gentlemen who were here at the time that Mr. Bennett dealt with radio will remember how he used to make this chamber ring with challenges to members of the house to deny that if we had to do over again many of the things we had already done in relation to the great resources to which the hon. member for Broadview referred a few moments ago we would not do what our predecessors did, that is to say, alienate out of the public domain control over great public properties in this country.

Here we have tried throughout the years to see to it that the control of the air waves, as far as this house would agree, and it agreed fairly well, would be such that we would not give away any further this great public facility or allow it to pass into private hands. To my mind this is an important section, and, if this bill is referred to the appropriate committee of the house, then I suggest that this particular provision, section 5, should be referred to the special committee which I presume will be set up to deal with radio matters, so that the Department of Transport, appearing there as trustee of the air waves in the licensing of stations and so on, shall have an opportunity of discussing this with the committee; that the parliamentary committee be made thoroughly aware of what this clause actually means, and that the representatives of the Canadian Broadcasting Corporation be properly heard.

After all, mentioned in this explanation of clause 5 are facilities that we have not yet put into use in our country. We have mention of television. Television in the course of the next few years may be a much more important facility that it is at the present time. I believe that, as experimentation goes on, many of the difficulties which now confront television will be met, and television may become universal, even as the standard band of the radio is at the present time.

With the tremendous development in radio and telephonic and telegraphic communication, this bill deserves much more consideration than it has had tonight. A feature of it that has been emphasized is the financial aspect of the matter, the fact that we shall permit, if we pass this bill, a very powerful company to increase its capital from $150 million to $500 million.

As the hon. member for Broadview said a few minutes ago in the course of his speech, in 1928 the extent of the increase was from $75,000,000 to $150 million. That in itself was a substantial increase, but now from $150 million this bill would give the company the power to increase its capitalization to $500 million.

I believe that when a corporation gets to the point of being a half-billion dollar concern, owning what must be by its very nature a monopoly, it should be a public enterprise and not a private monoply. Some in this house may disagree with my colleagues and myself regarding our ideas on socialization or public ownership, but I do not believe that, sitting anywhere in this house, there is an hon. gentleman who really believes in monopoly control. Sometimes the actions of parliament encourage the setting up of monopoly or even the extension of monopoly, but I do not believe there is anyone in this house who really believes that private monopoly is a good thing.

If we must have monopoly under our economy, the way in which it has developed over the last century or so, with the uniting of small businesses into big businesses, with the growth of public utilities such as we have

in the company now asking these rights or privileges—that is the better word—from us, I say that, since that development has occurred, we must safeguard the Canadian people against monopoly, and the only safe way, in my opinion, is this. When a monopoly is in the position that this monopoly is in, of controlling a great public facility, then surely the time comes when it should become a public utility.

That being the case, when we allow the company to increase its capital from $150 million to $500 million, what we actually do is to make it more difficult for the province of Ontario or for our own country, Canada, to take over a huge utility like this, because the larger the capitalization, when the time comes to arrive at an agreement with them for compensation, either through expropriation and the legal procedures, or by mutual arrangement, whichever you will, the very size of the sum involved makes it difficult for legislatures or parliament to face the situation that has been created.

When we pass a bill of this description, with $500 million of capitalization, what we are doing is actually placing a barrier against our successors if they desire to take over this facility. We are placing a barrier against their doing so, making it more difficult in the years to come for the nation or the province to take over this great facility.

Those of us who come from provinces in which we own our telephone systems know perfectly well that we enjoy a rate which is better than the one we get in the city of Ottawa. I sometimes compare the rate I have to pay between, we will say, this city and the city of Montreal with the rate I pay between the city of Regina and the city of Saskatoon.

Mr. MITCHELL: Why not compare the rates and the service in Great Britain?

Mr. COLDWELL: Just a minute. Saskatoon is nearly twice as far; as a matter of fact, Saskatoon is about 200 miles from Regina and Montreal is about 120 miles from this city. The Minister of Labour (Mr. Mitchell) says to compare the service.

Mr. MITCHELL: Certainly.

Mr. COLDWELL: I would say the service we get from the publicly-owned utility in my province is just as good.

An hon. MEMBER: Better.

Mr. COLDWELL: One of my hon. friends says "better".

Mr. GIBSON (Comox-Alberni): He is prejudiced.

Mr. COLDWELL: Maybe that is so. But let me point this out to those who are inclined to interrupt. The public ownership of the telephone system in my province and in the neighbouring provinces of Alberta and Manitoba is not the child of any socialistic government. It was set up years ago and it is so good that the Bell Telephone Company would like to buy those facilities. I think I can say without fear of contradiction, and without belittling the services we get from the Bell Telephone Company that the telephone systems in these provinces are as efficient and give as excellent service as anything that will be found anywhere else in Canada.

Mr. COTE (Matapedia-Matane): May I ask the hon. member a question?

Mr. COLDWELL: Yes.

Mr. COTE (Matapedia-Matane): Is the hon. member aware of the conditions of the telephone system down in the lower St. Lawrence area and in New Brunswick?

Mr. COLDWELL: No.

Mr. COTE (Matapedia-Matane): Then it would give the hon. member an argument for the contention he is making, because it is one of the most amazing things in this country.

Mr. COLDWELL: I like to talk about something about which I know. I greatly regret to say that I do not know as much as I should like to know about the lower St. Lawrence.

Mr. COTE (Matapedia-Matane): I will let you know about it later on in this session.

Mr. COLDWELL: The hon. member who asks me about the lower St. Lawrence perhaps does not know as much as he would like to know about the western provinces in which I have made my home for a good many years. I would suggest to him that, when I resume my seat, he can tell us what kind of service is received along the lower St. Lawrence. If that is accompanied by a description of the beautiful countryside in that area, as an inducement to our going there and examining the telephone system, I am quite sure that hon. members will enjoy the description of that beautiful part of Canada.

But coming back again to my point, let me say that our telephone systems in our western provinces have not only been of great value to our communities and to our people there, but given good returns to the provinces and assisted us in that way. I sometimes think —and I believe the Minister of Agriculture

(Mr. Gardiner) whom I see in his seat, and who, incidentally, had a great deal to do with the development of the telephone system will agree—that the conditions under which the people are working within the Saskatchewan telephone system are equal to the best conditions that can be found in telephone businesses anywhere in Canada. As I said a few moments ago, I am drawing these things to the attention of the house—not only the large increase in capitalization but that one important section which hon. gentlemen should examine, namely, section 5, which not only gives to this company a new right but indicates clearly that it is not a new right; they have had it all the time. Since we have had the Radio Act in existence in this country for a long time, and since we have endeavoured at all times to retain control of the air waves, that is a feature of this bill which should not only be considered by the committee to which it is proposed to refer it, but be considered by any committee that is set up to examine radio, television and all these subsidiary matters that concern radio and allied facilities.

Mr. SPEAKER: The hour reserved for private bills having expired, the house will revert to the business under discussion at six o'clock.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. J. A. Dion for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. SPEAKER: Prior to six o'clock the hon. member for Red Deer (Mr. Shaw) moved an amendment to the motion which is actually before the house.

The amendment is more than the expression of an abstract opinion on a matter which may necessitate a burden on the treasury. It does not only assert an abstract principle. It goes as far as to say certain tax exemptions, the elimination of the sales tax, increases in family allowances, provisions for disabled adults and selective subsidies on food products be enacted during the present session.

One of my predecessors decided on February 20, 1936, that a motion requesting the government immediately to introduce legislation granting retirement allowances to all citizens over sixty years of age was out of order because it involved an expenditure of money. His decision was sustained by the house and has now the validity of a standing order.

[Mr. Coldwell.]

I do not see much difference between demanding an expenditure immediately and saying that the cabinet should have given the assurance that legislation would be submitted during the present session whereby certain specific expenditures would have to be made.

The adoption of the amendment would be an order given to the house to increase expenditures and it is, therefore, an encroachment of the Governor General's prerogative to recommend expenditures.

The amendment is not in general terms and I have to rule it out of order.

Mr. SOLON E. LOW (Peace River): It is regrettable in the extreme, Mr. Speaker, that we have fallen into the practice in this house of allowing Your Honour to give rulings without an opportunity for debating these questions before you give them.

Some hon. MEMBERS: Order.

Mr. LOW: On a question of privilege—

Mr. SPEAKER: The hon. member knows perfectly well that it is against the rules of the house to discuss the ruling of the Speaker.

Mr. LOW: On a question of privilege, I plead for hon. members; I think hon. members are entitled to express their opinion about a trend into which this house seems to be falling.

Mr. SPEAKER: Order. I am sorry to interrupt the hon. member again, but it is my duty to see that hon. members abide by the rules of the house; and the rules say that Speakers' rulings are not debatable.

Mr. MacINNIS: I would plead with you, Mr. Speaker, to give the house a chance to discuss this ruling, because it seems to me that it is not at all in order, having regard to the rules of the house.

Mr. SPEAKER: Order. The hon. member has been here for twenty years, and he knows perfectly well the rule which says that Speakers' rulings are not debatable. I must take this opportunity to call the attention of hon. members to the fact that the Speaker does not give a ruling without having studied the matter very carefully. Hon. members would be very much surprised if they knew to how much trouble the Speaker goes in order to give justice to both sides of the house.

I have already given my ruling, and hon. members know perfectly well that it is against the rules of the house to debate it.

Mr. LOW: Mr. Speaker, I very much dislike challenging the Speaker's rulings; but

these two today have been so patently out of order that I must challenge your ruling tonight.

Mr. Speaker put the question as follows:

The question before the house is an appeal from the Speaker's ruling. I ruled out of order an amendment by the hon. member for Red Deer (Mr. Shaw), because the adoption of the amendment would be an order given by the house to increase expenditures, which would be an encroachment of the Governor General's prerogative to recommend expenditures.

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
Arsenault
Baker
Beaudoin
Beaudry
Belzile
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Blanchette
Boivin
Bonnier
Boucher
Bradette
Breithaupt
Brown
Case
Church
Claxton
Cloutier
Coté (Matapedia-Matane)
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Croll
Cruickshank
Daniel
Dechêne
Denis
Dickey
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Dubois
Emmerson
Eudes
Ferguson
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gardiner
Gariépy
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Hamilton West)
Gingues
Gladstone
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Gregg
Hackett
Halle
Harris (Grey-Bruce)
Hartt
Hazen
Healy
Henderson
Howe
Ilsley
Isnor
Jean
Jutras
King, Mackenzie
LaCroix
Lafontaine
Lalonde
Langlois
Lapointe
Laurendeau
Léger
Lesage
McCann
McCulloch (Pictou)
Macdonnell (Muskoka-Ontario)
McIlraith
McIvor
MacLean
MacNaught
Maloney
Marier
Marquis
Martin
Matthews (Brandon)
Maybank
Mayhew
Miller
Mitchell
Mullins
Mutch
Picard
Pinard
Reid
Richard (Gloucester)
Richard (Ottawa East)
Ross (Hamilton East)
St. Laurent
Smith (York North)
Stanfield
Stephenson
Stuart (Charlotte)
Tremblay
Tucker
Viau
Warren
Weir
Whitman
Winkler
Winters—108.

NAYS

Messrs:

Archibald
Argue
Ashby
Barrett
Bentley
Blackmore
Blair
Bowerman
Bracken
Bradshaw
Brooks
Bryce
Burton
Campbell
Cardiff
Casselman
Castleden
Charlton
Coldwell
Coyle
Diefenbaker
Drope
Fair
Fleming
Fulton
Gibson (Comox-Alberni)
Graydon
Green
Hansell
Harkness
Harris (Danforth)
Hatfield
Hlynka
Hodgson
Homuth
Irvine
Jackman
Jaenicke
Jaques
Johnston
Knight
Kuhl
Lennard
Low
McCuaig
McCullough (Assiniboia)
McGregor
MacInnis
McKay
McLure
MacNicol
Marshall
Matthews (Kootenay East)
Menary
Merritt
Moore
Murphy
Nicholson
Probe
Quelch
Robinson (Bruce)
Ross (St. Paul's)
Ross (Souris)
Shaw
Sinclair
Skey
Smith (Calgary West)
Stokes
Townley-Smith
Tustin
Webb
White (Middlesex East)
Wright
Wylie—74.

Mr. HERRIDGE: I was paired with the hon. member for Algoma East (Mr. Farquhar). Had I voted, I would have voted against your ruling.

Mr. BLACK (Cumberland): The Minister of Transport (Mr. Chevrier) is away on a matter of public duty. I am paired with him.

(Translation):

Mr. GAGNON: Mr. Speaker, I was paired with the hon. member for Parry Sound (Mr. McDonald). Had I voted, I would have voted against your ruling.

(Text):

Mr. MACDONNELL (Muskoka-Ontario): Mr. Speaker, on a question of privilege, may I say with great deference that I hope you will find some way, if the rules do not permit it now, to alter the rules so that this lamentable situation whereby there is no means to discuss your ruling before it is given may be changed. At the present time we are in the position where judgment is given before counsel may make an argument. I trust that you will give that consideration, Mr. Speaker,

because the danger is that your great office will be dragged down if it is not done.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, before six o'clock I spoke for a few minutes in support of the amendment which has been declared out of order and consequently I shall not pursue that subject further.

There is a matter upon which I should like to say a few words tonight, and I do not intend to speak at any length. But, first, may I refer to an interruption that was made this afternoon by my hon. friend the member for Lake Centre (Mr. Diefenbaker) when the hon. member for Swift Current (Mr. Bentley) was speaking. As I understood the hon. member for Lake Centre, he said that neither the hon. member for Swift Current nor this party had repudiated the advances which had been made towards the C.C.F. within the last two months by Mr. Buck and the communist party.

Mr. DIEFENBAKER: Repudiated the support.

Mr. COLDWELL: I will deal with that in a moment. Throughout the years the C.C.F. has kept its skirts absolutely clean, and I think any impartial observer knows that perfectly well. The hon. member for Vancouver North (Mr. Sinclair) said this afternoon that in a recent by-election in British Columbia the Labour Progressive party had given or collected money for the C.C.F.

Mr. SINCLAIR: That is true.

Mr. COLDWELL: He says that is quite true. I know nothing of that, but I doubt very much if the hon. member knows it of his own knowledge. However, I am going to say this, that what the C.C.F. has never done is to pay for newspaper advertising for the Labour Progressive or communist party as the party to which the hon. member for Vancouver North belongs did. Seated to my right is the hon. member for Grey North (Mr. Case). I was in Grey North during the by-election, and I saw a full-page advertisement, paid for by the Liberal association, advertising the coming to that constituency of various men who were characterized as labour leaders but whom everyone knew to be outstanding members of the communist party of Canada. And in 1945 may I remind hon. members that Mr. Tim Buck published large advertisements in the newspapers across Canada urging support for the Prime Minister (Mr. Mackenzie King) and the Liberal party, and so far as I know that was never repudiated.

On this recent occasion fortunately I am on the record. Mr. Tim Buck spoke in Toronto on the night of January 22—

[Mr. Macdonnell (Muskoka-Ontario).]

Mr. MacNICOL: Of this year?

Mr. COLDWELL: Yes, and on that very night I gave to the press this statement which I am going to put on the record:

> In the 1945 elections, Canada's communist party—the L.P.P.—called on the Canadian people to support Mr. Mackenzie King and the Liberals. Today the party has switched its line again, and is now declaring its support for the C.C.F.
>
> It is clear to me that the new switch in the communist line is an admission of the utter failure of the Labour Progressive party to make any progress in Canada and of its loss of support even in those trade unions in which the communists have had dominant control hitherto. They are apparently trying to halt their party's decline by seeking to identify themselves with the C.C.F.
>
> Naturally, what Canadian communists decide to do is entirely up to them. But I want to make the position of the C.C.F. crystal clear. That position has been stated and re-stated by national and provincial conventions throughout the years.
>
> The C.C.F. will not collaborate with the Labour-Progressive party in any way, direct or indirect. It will not enter into any electoral arrangements with it or with any other party, whether on a national, provincial, or constituency basis.
>
> There is a fundamental difference between the C.C.F. methods and philosophy and those of the communists. We have always opposed, and oppose today, every form of dictatorship, including communist dictatorship. We abhor communist methods in crushing political opposition whenever and wherever communists become the dominant force in a country.
>
> We know that at bottom the communists have not changed their views about the C.C.F. and democratic socialism. They have always declared democratic socialist movements to be their principal enemy and their ultimate objective is to "liquidate" such movements as the C.C.F.
>
> The present communist policy is therefore just a manoeuvre. The C.C.F. will have nothing to do with it.

That was my statement on the night of January 22. Since then there has been a meeting of the national executive of the C.C.F., and I am quoting from the minutes which I have in my hand.

> The executive unanimously endorsed the recent public statement by M. J. Coldwell with respect to the new Labour-Progressive party line.

If that is not about as clear a repudiation as can be made I do not know how it could be made clearer. I wanted to place that on the record of this house in order that there may be no misunderstanding as to where we stand on this particular issue.

Ever since this movement was formed I have been connected with it. At various times we have been the target of abuse and attack by the communist party. At various times

they have tried to enter into some collaboration with us. But I want to say this very clearly, in all these years never at any time have we compromised our position; and I am quite certain of this, as long as those of us who today have anything to do with the C.C.F. are associated with that party, there will be no association or compromise with the Labour Progressive or communist party, certainly not to the extent that the Liberal party was compromised by the communist party in 1945.

As far as my hon. friends to the right were concerned at that time, I remember the secretary of their party gloating over the situation and saying, "Well, this splits the C.C.F. in many of the industrial districts of Canada and we shall benefit by that split." However, be that as it may; whatever the future fortunes of the Canadian people and of this particular party may be, it is certain that we shall keep our hands clean and our skirts clear of any association with any totalitarian group, whether they are fascistly or communistically inclined.

I want to say a word, Mr. Speaker, about the matter of commercial rents. This afternoon I attempted to raise the question and I accepted the ruling of Your Honour, although, had this debate taken another course, I might have been prevented from raising the issue in time. Perhaps I did not make it quite clear this afternoon, but today is March 5 and the controls come off on Monday, March 8. The intervening period of time between now and Monday is the week end, and during the week end there will certainly be no opportunity for discussion by representatives of the people in this house, and I doubt very much whether there will be much time for the government to consider the situation.

I was disappointed in the statement made by the Minister of Finance (Mr. Abbott) this afternoon. Under the conditions that exist in regard to commercial rents I do not think we can trust to the individual to take the initiative with the wartime prices and trade board. If he does so, even in the large number of instances of which I have some knowledge at the moment, the wartime prices and trade board will be so busy reviewing complaints made to it that there will be no opportunity for the board to do many of the other things that are vitally necessary at this time.

As I said, I am not going to make a long speech tonight. I stand by the statement I made at the opening of my remarks. I suggest to hon. gentlemen that they will find a great deal of material placed on the record by the hon. member for Winnipeg North (Mr. Stewart) on December 12 last, to be found at pages 264 and 265 of *Hansard*. What the hon. member did on that occasion was to place before the house a number of complaints that he had received mainly from one city, Winnipeg, showing that the small business people who had occupied premises, in some instances for a good many years, were finding increases in rental of 200 per cent, 300 per cent and 400 per cent, even in some instances after adjustments had been made a year or two ago by the rentals control board in the city of Winnipeg. I have before me a sheaf of letters and telegrams, that I picked at random in my office, and that I have received among many within the past few days. Let me give a sample from Montreal:

> Due to the relaxation of rent control I am now being forced out of business. My landlord is demanding 450 per cent increase in rent.

This telegram comes from a Mr. Bastien of Montreal. Here is another man whose rent is increased from $70 a month to $200. Here is another small businessman whose landlord is demanding $300 a month increase in the individual's rent. Here is another telegram. These have been received during the last two days. This man is to have his rent increased by 375 per cent, an increase that the small businessman cannot possibly meet. If this is universal—and I believe it is—then the small businessman will have to charge to the consumer of the goods that are sold in his store an amount equivalent to the increase in rent, and what we actually shall have as a result is a substantial increase in the cost of living.

I have another letter from a man in Toronto whose present rent is $75 a month. He is being asked $250 a month. I have one from the Retail Merchants' Association in my own province of Saskatchewan, from the city of Saskatoon. The letter says:

> We are receiving many complaints in this province from merchants who have been asked to increase their payment on rent and in many cases to vacate.
>
> In the case of vacating and moving to a new location, businessmen find that not any space is available and they are therefore forced to accept the proposal of increased rent.
>
> Would you therefore use your influence and vote endeavouring to have commercial rent control extended for a further period?

I could go on, as I say. There are several very pathetic cases here. Here is a letter from an individual whose people have occupied a little store in a small Ontario town for the last fifty years, and I infer that they have just been able to make a living. I may say the little town is Markdale, Ontario. They have now to move out and have nowhere to make a living. There is no place, they say, in which

they can carry on their business. There is another and similar one from Edmonton. From all over the country these complaints are coming, and I must say, Mr. Speaker, I regret that the government has allowed us to reach this stage without having done something before now to protect the people of the country.

I have before me a letter from the Minister of Finance in reply to one written, not by myself but by the hon. member for Winnipeg North Centre (Mr. Knowles), dated February 18. I must say to the minister I am surprised that this attitude should be taken. I feel that it is an attitude which the minister should not have taken and one which this house should not accept.

This letter deals with a case in the city of Winnipeg. It has to do with a commercial school, the Bornoff school, where the rent is about to be raised. I am not going to read the whole letter, but the last paragraph says:

> Relief in individual cases such as that of the Bornoff school is not possible in the absence of a national measure—

It rather differs from what the minister said this afternoon.

Mr. ABBOTT: Not if the increase is not unjust and unreasonable.

Mr. COLDWELL:

—and I am afraid, therefore—

Listen to this:

> —and I am afraid, therefore, that it must be looked upon as one of the casualties that must occur in the path of all decontrol measures.

It is all very well for the minister to talk about one of the casualties that must occur in the removal of controls, but I think the individuals who have established themselves and have been in business are entitled to more consideration than to be brushed off by saying simply that this is a casualty of decontrol. I think the government owed it to the people of the country to maintain controls until such time as accommodation was more accessible than it is today. We all know there has been a shortage of building materials owing to various factors. We know that is true in the realm of domestic housing, and it is true in the realm of business.

May I say, in spite of what may be said of the viewpoint we hold, we believe that any business which is performing a good service to the community—not exploiting the community, not exploiting its labour—is a business which should continue in operation as a benefit to the community. Let us be clear about that.

[Mr. Coldwell.]

May I add that what you are doing is this. You are playing into the hands of big business. I have another letter from another city, from a small businessman who describes how he will be put out of business and what will happen. His customers will not go to nearby neighbourhood stores but to a branch of one of the big chain organizations in the country. Those of us who have witnessed the trend of events over the past twenty-five years have seen the small businessman pass out and the big chain organization come in. Indeed, the one weapon which the ordinary individual will have in a few years' time, to fight a great monopoly in the distribution of food and other basic supplies, is the co-operative movement, the co-operative institution. That is one of the reasons why we are so much interested in the co-operative movement, because it is a way of preventing the monopolization of our distributive agencies by one or two big corporations in the country.

I was looking at some statistics the other day to see the percentage of business done by some of these great organizations, and already a very large percentage of our economy in the distributive end is in their hands. That is not a healthy thing. Those of us who have lived in the smaller communities on the prairies, and I know it is true of small communities all across Canada, know very well that these small communities have largely been built up and assisted by the many small businessmen in those communities. Where would our churches have been, where would our rinks have been, where would the little local libraries and other things have been unless the smaller businessmen in the town had been able to make a living?

Where, however, you set up a branch of one of these big nation-wide distributing organizations you find that neither the manager as a rule nor any of the staff is paid wages or salary, such as will enable him to assist churches and community endeavours in the manner in which the small businessman used to do. Consequently I say to the minister that not only have we an obligation to protect the person who needs to rent a home these days, from exploitation because of shortages of homes, but we also have an obligation to those people who have built up their little businesses across the country and are now being forced out because they cannot posibly pay increases in rent which range, as these telegrams suggest, from 200, 400 to 450 per cent.

As I said, I did not intend to speak at any length. I simply want to make my point and I want to plead with the government, because

there is still time between the 5th and the 8th of March to do something effective in order to protect these people who at the present moment are in a hopeless situation.

Mr. McIVOR: Mr. Speaker, I should like to ask a question—

Mr. SKEY: On a question of privilege—

Mr. COTE (Matapedia-Matane): Mr. Speaker—

Mr. SPEAKER: The hon. member for Fort William (Mr. McIvor) has the floor.

Mr. McIVOR: I wish to ask a question of the Minister of Trade and Commerce (Mr. Howe). It relates to the first part of the speech by the hon. member who has just sat down. I want to know if the Minister of Trade and Commerce remembers the 1945 election when there were Labour Progressive candidates in both constituencies and we did not pay for their advertising.

Mr. COLDWELL: I did not say everybody did.

Mr. SKEY: Mr. Speaker, in view of the first remarks—

Mr. SPEAKER: Does the hon. member wish to speak on a question of privilege?

Mr. SKEY: Yes.

Mr. SPEAKER: I would ask him to state the question of privilege.

Mr. SKEY: It is this, Mr. Speaker. As the candidate in the last election who contested Trinity constituency against the leader of the communist party, I should like to refer to the first remarks of the leader of the C.C.F. party and say simply this. On behalf of my party, and I know I speak for them as well as myself, the Conservative party have never encouraged, courted, wanted or solicited the support of the communist party, and they are the only party in this house who have no need to deny it.

Mr. GREEN: Mr. Speaker—

Mr. COTE (Matapedia-Matane): Mr. Speaker, apparently I am not big enough to be observed, but I want to ask a question.

Mr. SPEAKER: Does the hon. member rise to a question of privilege?

Mr. COTE (Matapedia-Matane): No, Mr. Speaker, I wish to ask a question.

Mr. SPEAKER: If the hon. member does not rise to take part in the debate, the hon. member for Vancouver South has the floor.

Mr. COTE (Matapedia-Matane): It is not my fault if the Speaker did not see me. I was on my feet before the hon. gentleman rose.

Mr. COLDWELL: If the hon. gentleman wishes to put a question to me I have no objection to his doing so.

Mr. COTE (Matapedia-Matane): I just wanted to ask the hon. member a question. If I recall it correctly, at the outset of his remarks he said that the C.C.F. party was this, that, and the other thing. I just wanted to know whether it was according to the new look.

Mr. COLDWELL: I am afraid, Mr. Speaker, that I cannot answer that question because I am not an authority on the new look, as my hon. friend evidently is.

Mr. HOWARD C. GREEN (Vancouver South): I should like to take a few minutes this evening, Mr. Speaker, to place before the Prime Minister (Mr. Mackenzie King) and the Minister of Finance (Mr. Abbott) the situation with regard to these commercial rentals, because I greatly fear that the announcement made this afternoon by the Minister of Finance will not meet many cases of great hardship. I have one or two suggestions to place before the ministry which may help them to solve this difficult problem they are facing at the present time.

As the house knows, the provision for maximum rentals is to be lifted on March 8.

Mr. ABBOTT: It has already been lifted.

Mr. GREEN: It will come into effect on March 8. Then the only protection that a tenant will have will be that provided by section 6 of the regulations underlying the rental controls. That portion of the section to which I refer reads as follows:

> No person on behalf of himself or of another person shall let or offer to let any real property at a rental that is higher than is reasonable and just or shall charge, demand, receive, collect, or pay such a rental . . .

The Minister of Finance admitted this afternoon that that provision was of doubtful value.

Mr. ABBOTT: I do not think I admitted that it was of doubtful value; at any rate, I had not any intention of doing so.

Mr. GREEN: Then I will take that position myself.

Mr. ABBOTT: That is different.

Mr. GREEN: It only permits of prosecution. It has nothing whatever to do with the amount of the rent—that is, by way of reduc-

ing the rent—and there is no power to prevent giving notice and putting a tenant out. About a year ago some changes were made in commercial controls. The Minister of Finance will correct me if am wrong, but I believe those relaxations were to the effect that the following types of commercial properties were made free of any rent control:

1. Space leased for the first time after March 1, 1947.

2. Space becoming vacant after March 1, 1947.

3. Space in new buildings which had not been previously rented.

4. Space sublet by the tenant.

5. Space covered by the special two-year lease on its expiry date.

There had been provision made for a two-year lease.

Mr. ABBOTT: At an increased rental of 25 per cent.

Mr. GREEN: Yes. To continue:

6. Space on or after March 1, 1947, leased to a tenant then in possession for not less than three years at any rental agreeable to both parties, provided that the lease did not contain a sales clause or any other cancellation clause in favour of the landlord, effective before the end of the third year.

Cases coming in any of those categories were freed of the commercial rental control, and I think a good many satisfactory adjustments were made between landlord and tenant. Then a few months ago, the government gave notice that as of March 8—

Mr. ABBOTT: In June of last year.

Mr. GREEN: Yes, in June of last year—that this commercial control would be lifted entirely. Again arrangements were made between landlords and tenants, and there can be no complaint in those cases. But there are some cases—and I think they are in the minority—in which there is great hardship. For cases of that type I think something must be done. The leader of the C.C.F. referred to some a few minutes ago, and I have here three letters which I should like to read to the Prime Minister. My first letter is dated just a few days ago. The correspondent says:

I have been a tenant—

At a certain address in Vancouver.

—for the past year and a half at a rental of $25 per month. I am advised by the agents for the new owners of the property, that my rental after March 8 will be $125 per month.

I point out to you, Mr. Speaker, that this is an increase of five times. To continue:

My business consists of a small gift shop, size 15 feet frontage by 25 feet deep—no washroom facilities whatsoever, no rear entrance.

There are ten tenants in this building who have been advised of a similar rental increase.

The new owners of this property bought the property for speculation about two months ago but at the same time are trying to make their investment pay them 21 per cent net on purchase price. My total assets are invested in this store which at the present rental gives me a living, for 12 hours a day work.

I ask you as government representative to bring this serious matter to the attention of our government. It is a suggestion on my part that in cases similar to mine, the rental increase should be set by a qualified government appraiser. Quite possibly a better solution would be an extension of the present rentals for a year. This would allow a tenant time to make other arrangements.

My second letter is from another man in a small business in Vancouver, also written just a few days ago. He says:

Due to the relaxation of commercial rentals supposedly in March this year, we have been notified by the agents for the new owners that an increase amounting to five times the present rent (or over 500 per cent) will go into effect. Since we, along with thousands of other small firms will be very seriously affected, we feel certain some measure of protection and percentage increases would be a means of saving these small firms and businesses which otherwise will have to close up.

May we ask you, our government representative, to bring this serious matter to the attention of our government for a percentage increase which will give small business firms a chance to adjust themselves without serious consequences.

Then there is a postscript which reads:

In our own case, a group of lumbermen bought our building as an investment intending to increase total rentals tremendously and, as we understand expect to resell at a big capital gain—

Which, by the way, I believe will not be taxable.

—at the expense of the tenants. The proposed increased rental will amount to about 21 per cent on money invested which is most unfair.

I have a third letter to the same effect, which I will not take the time of the house to read.

Mr. BRACKEN: Go ahead.

Mr. GREEN: I think the two I have read make the situation quite clear.

Mr. BRACKEN: Go ahead and read the other.

Mr. GREEN: Perhaps I had better read it, inasmuch as it is slightly different. This letter reads in part as follows:

This man, who was an aeroplane pilot in the first world war, has for a number of years been renting a store on Granville street, in which he has been running a lending library. He also sells books, stationery and various other goods.

His lease will expire in a few months. His present rental is $65 a month and the owner of the store will give him a five-year extension, provided he will pay $100 a month rent, and also pay—

And here is the catch in this case.

—$1,500 to instal an entirely new store front.

He is unwilling to pay this $1,500 but has offered to take a five-year lease at $125 a month, which would in that period give the owner $1,500 additional. This offer was refused.

Then he goes on to say:

In this particular case, the present tenant cannot sell his business, which is well run and has many customers, because he has no lease to transfer with the business. Should there not be some tribunal to which a tenant threatened with extortion of this kind could appeal?

I point out to the house that this is an emergent situation which must be met. There can be no doubt that there is a shortage of commercial accommodation. In part, that is the government's own fault, because in Vancouver, and I have no doubt in many other cities, government departments are occupying a great deal of space that could be given up and made available for commercial tenants.

Then the Minister of Trade and Commerce (Mr. Howe) has announced, as part of the austerity program, that all construction of office space and space of that kind, is to be prevented. So that we have an artifical situation at the present time. I put it to the lawyers in the house that here is a situation similar to a case where there has been a forfeiture. A person may have paid a large amount of money as a first instalment on a property, or may have incurred a heavy penalty, and there is a provision in the law for relief against forfeiture and relief against penalty under conditions of that kind. Here I think we are on perfectly sound legal ground by arranging for some relief in cases of the type I have mentioned, particularly because the situation is an emergent one. There is no chance for the operation of the natural law of supply and demand in most of these cases.

I believe that in the vast majority of rental cases both the landlord and the tenant are only too anxious to play the game, and I think they have been playing the game all through the war. The cases to which I refer are in the minority. I suggest to the ministry that they might get around the difficulty by providing an appeal to a judge, I think it should be to a judge; an appeal against profiteering in rentals, and also against unreasonable evictions. Where a tenant can come to court and show that there is an increase of 500 per cent, there should be some provision enabling the judge to deal with a case of that kind. There should be provision to prevent eviction, where an unfair advantage is being taken by a landlord.

The provision need not be for long, because sooner or later this whole rental question will have to be turned over to the provinces. I cannot understand, myself, why the government did not vacate the jurisdiction before now, and turn it back to the provinces, where it belonged.

Mr. ABBOTT: A good suggestion; I am glad you made it.

Mr. GREEN: The provincial governments do not want it, because naturally they are quite content to let the dominion look after the baby as long as it will. But this whole question of rentals is a provincial question; and sooner or later it must go back to the provinces.

Mr. ABBOTT: The provinces can take care of the commercial field now. We are out of that.

Mr. GREEN: Many of the provincial legislatures are sitting at the present time, and if the government were to announce as a policy that it would shortly be the responsibility of each province to deal with this question of rentals—

Mr. ABBOTT: I announced that last June.

Mr. GREEN: —then the necessary legislation could be enacted by the provincial legislatures. And they can handle the rental situation far more effectively because they are much closer to the people. They know conditions in their respective provinces. But for the time being, until something of that kind is done, I appeal to the Prime Minister and to the Minister of Finance to bring in some provision for protection in these cases which are in the minority, where obviously there will be great unfairness. I think everyone in the house wants to see that the small people, who are in that unfortunate position, are given protection.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I should like to take just a minute or two on this question of commercial rentals, because during the last few months I have received a great many communications which indicate to me that small businessmen across Canada are facing the very great danger of being forced into evictions which will become a hardship to them.

One such case, for example, in the city of Edmonton, is that of a young man who struggled through his university years, served in the armed forces and was able to start up a

small drug store in a district which was not too crowded, and in a building along with two or three other businesses. He has not been able to operate very long, but his business has proved quite profitable for the length of time he has been there. When the announcement as to the lifting of rent controls was made the landlord advised this young man that he would have to get out immediately. He had not been able to take advantage of subsection 16 in board order 315, and for that reason found himself without protection at all. He is having to sell his stock and fixtures because he cannot find another location in the city. He will have to sacrifice them, and he tells me that he will hardly get enough to pay his creditors.

That is a serious situation, and I suppose it could be repeated hundreds of times over across Canada. Surely something could be done to protect that young man and a great many others of his kind who find themselves faced with this serious situation today.

The other day I visited in this particular city a small store which sold electrical goods and made electrical repairs. I should not think the store building was more than fifteen or sixteen feet wide where it fronts on Bank street, and the depth is not more than twenty-five feet. This man at the present time is paying just under $100 a month, and he takes care of his own utility services. He was notified a few days ago, when the announcement was made as to the lifting of commercial rentals, that he would have to pay $160 a month for that place.

That is out of all reason. Many people like that will be forced right out on the sidewalk, because they cannot afford to pay those prices. I received yesterday a telegram from Mr. A. C. MacKay, secretary of the Alberta provincial board of the Retail Merchants' Association which, I believe, I referred to the minister. This is what the secretary says:

> Alberta merchants renting premises who were deprived from availing themselves of provisions section 16 board order 315 are in serious danger of having unreasonable rent applied to premises if governments policy re decontrol commercial rents becomes effective as announced by minister. Specific cases have been brought to our attention where merchants who have operated from twenty to thirty-five years will be forced out of business due to desire of landlords to continue operations on their own behalf. Association has no objection to landlords obtaining reasonable rental increases but as new premises are unavailable merchants likely to suffer very severely. Suggest authority be retained by rental division of board to deal with each case on its merit when application for board ruling made by tenant.

The Alberta provincial board of the Retail Merchants' Association are very reasonable in their request. I feel satisfied that there is no good reason why the board should not continue with its practice of receiving complaints from individuals who feel themselves aggrieved and to judge each case on its merits and issue a ruling. I would say that this would be similar to the suggestion made by the hon. member for Vancouver South (Mr. Green) who has just spoken. As I understood it, his suggestion was that a judge be appointed to hear these cases and to decide on the merits of the case. I have no objection to that. I think his suggestion has great merit, but have we not already in most centres across Canada officials attached to the wartime prices and trade board who could continue under the rentals division of the board to do much the same job as the hon. member suggests?

It seems to me that as long as restrictions are continued on commercial building it is only right and just that the government do everything possible to protect the tenant and at the same time to make possible fair and just increases in rentals where the situation in a particular centre justifies such increases. I make this appeal only because I feel that great injustice will be done and great hardship will be caused to these small merchants.

Mr. JOHN T. HACKETT (Stanstead): Mr. Speaker, I have not taken part in this debate, but I should like to address a few words to the house on the aspect of the debate which has come up this evening. I do not think anyone in this house is desirous of seeing hardship, especially unnecessary hardship, perpetrated on any individual or on any class of individual. I am not in favour of the continuation of controls on commercial premises, for reasons that are neither numerous nor complicated. First, controls are alien to the whole idea of freedom of contract. If two Canadians wish to make a contract I for one believe that it is their privilege to make it. Second, why should this house consider itself the sole repository of wisdom, of equity and of fairness in the dominion? The fathers of confederation who wrote the constitution decreed that certain matters should be left to the dominion.

Mr. PROBE: Eighty years ago.

Mr. HACKETT: Yes, but the principles are immutable. Principles imbedded in the constitution 80 years ago are not so entirely outmoded as some people would have us believe they are. The fathers of confederation in their wisdom decreed that matters of civil right should be entrusted to the jurisdiction of the provincial legislatures. Matters of rent have no status in this assembly. It was merely on

an assumption—and in my view, a totally unwarranted assumption—that an emergency two and a half years after the war exists—and an emergency no more exists two and a half years after the war than an emergency existed two and a half years before the war—that we are arrogating to ourselves a jurisdiction which, according to the constitution, belongs and belongs properly elsewhere.

Let the provinces decree what is a fair return upon rented property, if you will. Let the provinces who are in intimate association with the details of life in each provincial centre deal with the question. I am not sure at the moment how many legislatures are in session, but I understand—

An hon. MEMBER: Eight.

Mr. HACKETT: Somebody says that eight are in session. I know that the legislature of Quebec is in session; I know that the legislature of Ontario is in session, and I know that the legislature of British Columbia is in session. Surely those legislatures will do whatever is necessary to protect the population of their provinces against the rapacity—I think that is an exaggeration—of landlords. I admit that there may be hard cases, that there will always be people who will attempt to be unfair, but the great majority of landlords are businessmen. They want good tenants, and they know that the amount that they can derive as rental from their premises is limited to what is fair and just. A few people may attempt to exceed those limits, but we have in all jurisdictions legislation which controls the rapacity of the individual.

For instance, we have a law against usury. It so happens that interest falls within the jurisdiction of the federal parliament. No person may collect more than a stated amount of interest. I am confident that if parliament abandons this inter-meddling in affairs which are beyond its jurisdiction, other legislative bodies quite as patriotic, quite as well endowed and quite as capable as that which is within the hearing of my voice, will deal with the question and deal with it promptly and properly. We will put an end to this fictitious system that is bedevilling this house and this parliament. If we have witnessed in the last few weeks episodes within this house which anyone who cherishes its tradition cannot but regret, it is largely because we have attempted to deal with matters beyond our jurisdiction and have attempted to exercise powers that are not properly within the scope of the powers of this body.

Just so long as there is this interference with normal and free transactions, there is bound to be a shortage of all kinds of buildings which require the investment of money. The hon. member for Vancouver South (Mr. Green) has stated that many of the commercial buildings in the city which he represents so well in this house are in the use of the government. I am not going to labour that question, but I will tell the hon. gentlemen who occupy the treasury benches—I see opposite gentlemen from my own city who know the facts as well as I do—that commercial buildings where finance, where commerce and where industry were formerly housed are now filled with government employees, with people who should not be in the service of the government, people who are attempting under the guise of an emergency to do for the citizenry what the citizenry is well capable of doing for itself. We shall not have new commercial buildings. The capital necessary to put up new commercial buildings required for the normal tenancy of those who are engaged in the growing business of the country will not come forth for investment so long as there is such uncertainty concerning the return which will come from such buildings.

We have heard a good deal about the hardship on the tenant. There may be hard cases for tenants; there inevitably will be. But nobody seems to have said very much about the hardship on the landlord. I think every man of business experience knows there are scores of landlords who attempted to assist weak businesses which were trying to regain their balance after the trying days of the 1930's, who find themselves with rentals frozen at a rate which was entirely unfair to the investor.

Mr. NICHOLSON: How hard?

Mr. HACKETT: Let us not be quite so cynical in matters of this kind. Possibly a little more experience would enable my interrupter to be a little more generous toward that element of the population which is not necessarily wicked because it has enough to eat.

I am going to suggest, therefore, to the government that it abandon these rental controls on commercial buildings and trust the provinces to deal with them. Unfortunately at the present time the best of feeling does not exist between the federal government and all the provinces. That is unfortunate because, after all, we are all Canadians; we have a common interest, and at heart we aspire to the same ideals. I am of those who like to believe, in spite of casual criticism, that the great bulk of business people—and we are speaking now of commercial rentals—are decent folk who want nothing more than what is a just and fair return from their

investment. For these, among other reasons, I think it is well that we should put an end to the fiction which has given this parliament jurisdiction in a sphere in which it is absolutely incompetent to administer successfully.

Mr. LOW: If the hon. member would permit a question, while I quite agree with what he said, would he not advocate the continuation by this government of certain regulations until such time as the provincial governments could set up the necessary machinery to take care of the situation?

Mr. HACKETT: The hon. gentleman has asked me a question and I must reply that I do not believe in dallying with sin. I believe that we shall not get rid of a system which is breaking down the fibre of our whole people until something drastic is done. I believe that as soon as an end is put to the control on commercial rentals, if there be any substantial quantum of inequity, the legislatures now in session will remedy the situation and do so promptly. So to answer the question I would prefer to see rental controls on commercial properties terminated immediately, and trust the legislatures of the several provinces to come to the rescue of any tenant who may be unfairly treated.

Mr. J. O. PROBE (Regina City): Mr. Speaker, this matter of commercial rentals is of concern to every member of the house because of the large number of small business tenants in the constituencies of each of us here. While I respect the views of the hon. member for Stanstead (Mr. Hackett) and appreciate the fairness and the clarity with which he expressed himself in favour of his point of view, I can only say that, so far as my own constituency and those of most hon. gentlemen in this chamber with whom I have discussed commercial rentals are concerned, it is not the case that this threat of a heavy increase in rentals is limited to only a few landlords who are threatening eviction alternatively to an increase in rent of three or four hundred per cent. It is useless at this stage to argue the rights and duties of the respective governments across this country under the British North America Act in the emergency which is still recognized as an aftermath of the war.

The government has taken responsibility in connection with a building program. I used to admire the optimism of the Minister of Trade and Commerce (Mr. Howe) when he outlined the steps taken by the government to alleviate the housing shortage and to make it possible for every family in this country some day to live in its own home, but I am afraid that that goal will be far from realized when most of us now here have passed to the great beyond. Certainly many small businesses whose need is immediate will have to fold up and quit and allow their business to go to the larger operators who have the financial resources to provide themselves with accommodation or can buy it in the open market, and thus we may weaken the fibre of the true free enterprises in the Dominion of Canada by removing them from the scene.

The government has taken no cognizance of the situation. This afternoon the Minister of Finance (Mr. Abbott) made a statement which I do not think will bring very much comfort or assurance to the small businessman who will be dispossessed on Monday, when he said that the board would probably consider the prosecution of unreasonable or unjust rental advances. It seems to me that the government in the past has done things in connection with the rental of buildings for its own use, which have not set an example for getting a reasonable or just rental for the small business which is just making a living for the family operating it. It could not possibly compete on the same terms with the government for rented premises. I agree with those hon. members who say that the government has made the situation worse by not providing its own buildings for the offices and other space which it requires.

In my own city of Regina the government of this country has its offices scattered over a large number of buildings and owns very little space in the city; and even before the controls were lifted, the government of Canada set the pace, so to speak, in the demand for higher rentals by landlords through offering or paying higher rent for its own accommodation.

On February 25 I had a question on the order paper with respect to a government building that was rented in my city of Regina, and I am going to put it on the record to illustrate what I mean. I asked these questions:

1. What area of floor space is leased by the Department of Public Works from the Bank of Montreal, known as the Merchants' Bank building, 2124 Scarth street, Regina?
2. What annual rental has been paid in each of the years that this building was leased by the dominion of Canada?
3. What additional maintenance, insurance, repairs or other costs have been paid annually with respect to these premises?

The answer given by the Minister of Public Works (Mr. Fournier) was that the whole of the ground floor having an area of 4,459 square feet and 1,802 square feet of space on the second floor was rented by the Department of Public Works. The annual rental paid for the ground floor—that is the only floor I am

interested in at the minute, because it illustrates how the government flagrantly broke its own regulations with respect to the freezing of rentals—from November 1, 1941, to November 1, 1944, by the government was $3,600 for these 4,459 square feet, or roughly eighty cents per square foot. While commercial rents were still frozen, the government paid the Bank of Montreal, which, to my mind, was not a landlord in particularly impecunious circumstances and in need of assistance in this form, for the years following November 1, 1944, a larger amount. It raised the rental from $3,600 to $5,400 per annum, or an increase of 50 per cent, or $1.20 a year per square foot approximately for floor space in a very ordinary building, in addition to which the Department of Public Works assumed certain caretaking expenses which it had not had until the year 1943, running to something over $1,000 in each year. To my mind, this indicates that the government not only permitted its own laws to be violated, but gave the lead to others in this country. After all, if the government was willing voluntarily to pay a 50 per cent increase in rentals for premises rented from a landlord who was not using this building for the purpose of making a meagre livelihood, and whose dividend position was quite satisfactory throughout the war years, before and since, you could not expect anything but the action which has followed with respect to the pressure put on the government for increased rental demand.

The government has given no opportunity in the last couple of years to the small businessman to build his own structure for his own business. Perhaps they have had better times, but they have not been able to build their own structures, because the government has made it possible for terrific quantities of building materials to be exported from this country or, alternatively, if sold in this country, to be sold at a price which made it impossible for the smaller person to secure much needed accommodation. Now that March 8, 1948, is almost at hand, the government gives no other protection than to say, as the Minister of Finance did this afternoon, that should the rentals be found to be unjust and unreasonable, I presume if profiteering is indicated, then there may be some danger of the avaricious landlord being prosecuted.

It is not by accident that letters of the type read by the hon. member for Rosetown-Biggar (Mr. Coldwell) a few moments ago from the Retail Merchants' Association of my province were put on the record tonight. I am sure that a responsible organization such as the Retail Merchants' Association of Saskatchewan would not trouble us with a problem that was not universal in that province, at least, and I am quite certain that it is also true in other provinces.

The hon. member for Stanstead said—and I think he was correct in his statement—that since the British North America Act is as it is, the federal government should ultimately toss back to the provincial governments these civil matters, of which rental control is one. Some provinces will attempt to come to the rescue of anyone who is in great danger of being persecuted. Mind you, I am not belittling the fact that where there is a landlord having limited financial resources, some financial adjustment should be permitted by means of increases in rental because costs have gone up, as we are all aware; and I know that some tenants are quite prepared—and I have letters here to indicate that fact—to pay a modest increased rental to help compensate the landlord for his increased costs. Some governments will undoubtedly attempt to fill the breach left by the withdrawal of the federal government from this field. I know that the government of Saskatchewan has already passed the enabling legislation so that it may step in once the federal government steps out; but that does not alter the situation. There just are not the physical properties on the ground to permit these businesses to continue, and undoubtedly many of them will have to fold up. Therefore I should like to put on the record at this time a request made on behalf of my province to the Minister of Finance very nearly two months ago to ask the federal government to reconsider this situation. This is a letter from Regina, Saskatchewan, dated January 13, 1948, and is addressed to:

Hon. Douglas Abbott, K.C.,
Minister of Finance,
Ottawa, Canada.

Re: Rental Controls

Dear Mr. Abbott:

On behalf of the government of Saskatchewan I wish to urge on you and your government the desirability of maintaining control over rentals of commercial and professional premises similar to the action it is understood you are taking in respect of domestic leases.

I suggest a survey and report from your district rental officials will convince you of the necessity of such action.

I would further urge the necessity of an early announcement that commercial and professional rentals will be kept under control and supervision. The majority of landlords are reasonable but a minority, in many cases absentee landlords, are using the impending lifting of such controls as an excuse to threaten eviction unless tenants enter into new long-term leases at two or three times the present rental.

I am, of course, aware of the order of the wartime prices and trade board, to take effect March 8, under which certain controls over

commercial rentals are lifted but such controls can be reimposed by the government or by parliament, if not by the board itself.

In my opinion, the dominion has ample power and authority to continue rental controls as emergency measures. If, however, any waiver of provincial jurisdiction is desired Saskatchewan will, in the public interest for the duration of the present emergency, waive its jurisdiction accordingly.

With best personal regards, I am,

Yours faithfully,

J. W. Corman, Attorney General.

Mr. BURTON: What did the Minister of Finance say to that?

Mr. PROBE: I did not get a copy of the reply.

Mr. ABBOTT: That is a generous offer.

Mr. PROBE: Undoubtedly the attorney general of Saskatchewan will be in a position where he will continue commercial rent controls, because we do not intend that it be left as a battle between the tenants and the landlords in our province. But the point I make is that this still does not as a general thing in this Dominion of Canada solve the needs of either tenant or landlord until the government does something. This is not now a matter of the British North America Act. We are still in a building materials emergency. Obviously we have not given concern to the adequate supply of building materials so that the small merchant or professional or businessman can construct such premises as he would put up if the supplies were adequate. However, the government must take the whole blame because of its decontrol policy on all these matters.

I intend to leave this suggestion with the government. Instead of putting the onus on the tenant, who, generally speaking, has less adequate means whereby to present a proper case before the authorities, who may or may not act in the matter, I suggest that the Minister of Finance send out telegrams to his local offices of the wartime prices and trade board or get on the radio, as he did on November 17, and make an announcement to the effect that commercial rentals—, mind you, the same thing could be said in the case of domestic rentals, because many injustices are being suffered by the small landlord in the case of domestic rentals—shall remain as they were, and that where the landlord considers that his situation is untenable, the onus be put on him, for a change, to take his case to the proper judicial authorities whom the Minister of Finance will designate, and that the landlord, for a change—

Some hon. MEMBERS: Louder.

[Mr. Probe.]

Mr. PROBE: Yes, I can make it louder. I say, that the landlord, for a change, present his arguments before a proper tribunal who will assess the needs of the landlord for additional compensation. I will venture to say, that the average tenant of such properties would accede more gladly to such requests on the part of the landlord than do many landlords to the needs of the tenant who will lose his business because of a few rapacious scoundrels—I call them that—who will take advantage of the Minister of Finance and his policy.

Mr. A. M. NICHOLSON (Mackenzie): The leader of this group tried at three o'clock this afternoon to raise this question, because our members are all convinced that this is a matter of urgent public importance; and in view of the fact that we could not discuss it at that stage, members on all sides are anxious that those who feel strongly should have full opportunity to express their opinions.

We have all had telegrams from people back home who realize that on Monday of next week there will be another factor boosting the cost of living; and in view of the fact that a committee of this house has been appointed to examine and report from time to time as to the causes of the recent rise in the cost of living, I think it is unfortunate that the cabinet should have resisted so stubbornly the representations made to have the whole question referred to the committee.

Technically, this factor has not yet caused any rise in the cost of living, but by Tuesday of next week I think this will be a question which might quite legitimately be referred to the committee. It will cause a great deal of confusion in Canada to have the government's action taken on March 8 brought to the attention of the people, when all across Canada we shall have the tenant exposed to drastic rental increases which will be legal.

I might say to the hon. member for Stanstead (Mr. Hackett) that when I interrupted him a few minutes ago I had no desire to be facetious. I have the greatest respect for his views, and I merely thought he would give some information to support his claim that many landlords in Canada are experiencing real hardships. I know there are cases where landlords have a real grievance, but in view of the fact that many other members this evening went out of their way to show what will happen to the tenants, I thought someone in the house might present the landlord's case.

There are very few in this house who seriously argue that it was not in the public interest in Canada to have rent controls during the war. I would say to the hon. member for Stanstead that, had he been in

one of the 7,925 families in Winnipeg who last year applied for living accommodation without being able to get it, he would consider that there were more factors to the bargain than having someone who was willing to offer and someone who was willing to accept. In Winnipeg only 8·7 per cent of the families that required and needed accommodation last year were able to get it.

Mr. HACKETT: I was talking about commercial rents.

Mr. NICHOLSON: It is part of the same problem. I submit that I am in order in discussing anything under the sun, as other hon. members have done.

Mr. ABBOTT: Even the weather is in order.

Mr. NICHOLSON: The comment regarding the weather by the Minister of Finance is hardly in order.

Mr. ABBOTT: No offence intended.

Mr. NICHOLSON: I want to say to him that he is losing the confidence of a great many people in Canada. The former minister of finance established a very high standard of ethics and conduct. His saying "no" when demands were made by people who wanted an increase in prices established a great deal of confidence in democracy, and I submit that the behaviour of the Minister of Finance in recent months, in giving way to representations and allowing—

Mr. ABBOTT: My hon. friend is a good schoolteacher but I do not need lectures on conduct.

Mr. NICHOLSON: I think the minister will have to take his lecture.

Mr. SPEAKER: I would ask the hon. member to abide by the rules and address himself to the Chair.

Mr. NICHOLSON: I was about to refer to the thirteenth annual survey of vacant houses and vacant suites, from the city of Winnipeg. I do not select this material from Winnipeg because Winnipeg has the worst conditions in Canada, but merely because the department of health in Winnipeg, for at least thirteen years now, has prepared a complete survey of housing problems in that city, and while the facts are not particularly complimentary to the city, they are made available to the public. I happen to have received this report for the year ended December 31, 1947; and when in one city there are 91·3 per cent of the people who are crowded and who desire new housing accommodation and cannot get it, I think that is a matter of public concern. The report mentions that—

Some hon. MEMBERS: Question.

Mr. NICHOLSON: There is no need of calling question tonight, because I shall not be able to finish.

Mr. HARTT: Now we can go home and read it in *Hansard*.

Mr. NICHOLSON: At page 15 of this report we find this:

> Environment, especially during childhood and growth, modifies many inborn tendencies. Dark, gloomy, insanitary hovels, which submerge the thoughts of their inmates to the level of the beast, are not conducive to health, or later to good citizenship; moreover, under such conditions, sickness and poverty occupy so much energy and thought, as to preclude much effort for better things.

Mr. WARREN: Question.

Mr. NICHOLSON: I know the hon. member for Renfrew North has not anything of great concern to talk about in parliament, but I wish he would allow me to proceed to discuss a matter which affects the people of his constituency as well as my own. To continue:

> Such places are almost invariably without sufficient plumbing fixtures, but many have sinks and wash basins unlawfully and improperly installed, according to the whim of the house farmer. Families are herded in one or two rooms where objectionable intimacy is unavoidable. Water closets are in common use in lieu of sinks, for greasy dish wash water and table refuse. Water for drinking and potable purposes has to be taken from a bathtub's water supply in many cases.

I submit, Mr. Speaker, that with conditions of this sort prevalent all across Canada, we cannot at this stage assume that we can now repeal all our rental controls. Those who have the money should be able to get the accommodation they desire. In tonight's paper is an article headed, "Cost of living index nears all-time high", which reads in part as follows:

> Propelled by higher prices for foods, the official cost of living index climbed another 1·8 points during January and came within fractions of the all-time high of 150·6, established in the inflationary period that followed the first world war.
>
> The Dominion Bureau of Statistics reported yesterday that the index jumped from 148·3 at January 2 to 150·1 at February 2 . . .

On Monday the government of this country is placing those who are renting commercial quarters in the position where they will have increases of 100 per cent, 200 per cent, 300 per cent and 500 per cent. I know the Minister

of Finance this afternoon mentioned the fact that fines up to $5,000 can be levied on those who are guilty of charging unjust and unreasonable rentals. But I should like to ask him to tell the house whether he really thinks the wartime prices and trade board will be able to service the thousand and one requests that will come in from tenants all across the country next week as these rents start to go up. Those who are able to pay higher rentals will naturally be compelled to pass the cost on to the consumer. Before any increase in rentals was granted, I think the landlords concerned should have been required to come to the committee, place their cards on the table, and explain that it was impossible for them to carry on and that they would require assistance.

Since I have a good deal of additional material, Mr. Speaker, I should like to move the adjournment of the debate.

Some hon. MEMBERS: No.

Mr. NICHOLSON: Let us have a vote on it. I move the adjournment of the debate.

Some hon. MEMBERS: Question.

Mr. SPEAKER: Mr. Nicholson moves that this debate be now adjourned. Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: No.

Some hon. MEMBERS: Yes.

Mr. SPEAKER: Carried.

On motion of Mr. Nicholson the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: I had understood that there was a general desire in the house to have the committee on veterans affairs established as soon as possible. As I said last night, if we had concluded this debate today at an earlier hour, the government had intended to have the house go on to the consideration of setting up that committee. I am entirely in the hands of the house. If hon. members would like to have that committee set up soon, the government is quite prepared to set apart Monday for debate on that question. But if the debate ran beyond Monday we would wish to resume with other government business on Tuesday. On the other hand, if there is exception to having the veterans affairs committee set up on Monday, we shall continue with this debate until it is concluded and then take up the setting up of the committee afterwards.

Mr. BRACKEN: If the government wishes to proceed with the veterans affairs resolution on Monday, it will be acceptable to us on this side.

Mr. WRIGHT: As far as our group are concerned, we would be prepared to have the veterans affairs committee set up on Monday.

Mr. LOW: That is quite acceptable to us.

Mr. MACKENZIE KING: I am pleased to hear that. Then it is understood that we proceed with the veterans affairs resolution. But if that debate runs past Monday, we shall on Tuesday resume other business. If it is concluded during the day, we shall then resume the debate we have been having this evening.

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

HOUSE OF COMMONS

Monday, March 8, 1948

The house met at three o'clock.

POLISH ART TREASURES

TABLING OF LETTER TO CHARGÉ D'AFFAIRES OF POLISH LEGATION IN OTTAWA

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): On Friday I cited two paragraphs of a letter written by the Under Secretary of State for External Affairs to the chargé d'affaires of the Polish legation in Ottawa. The hon. member for Lake Centre (Mr. Diefenbaker) asked that the letter be tabled, and I now wish to table this letter which is dated February 13 last.

TARIFFS AND TRADE

UNITED NATIONS CONFERENCE AT GENEVA, 1947—APPROVAL OF GENERAL AGREEMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should like to say just a word about the Geneva agreement, which has been before the house for consideration. Hon. members will recall that some time ago I introduced a motion respecting this agreement. The motion appears as item No. 3 under government orders:

That it is expedient that parliament do approve the general agreement on tariffs and trade, including the protocol of provisional application thereof . . .

In the course of the debate the hon. member for Vancouver South (Mr. Green) moved an amendment with a view to separating the part of the resolution which referred to the British preference from the rest of the motion so that there would be two resolutions instead of one, in order that these matters could be debated separately. The idea was that the part relating to the Geneva agreement would go to a committee. I indicated at the time that the government would be prepared to facilitate the agreement going before a committee.

The matter has been gone into carefully and there has been some conference with hon. gentlemen opposite who lead the different parties. As a result of what has been considered it seems that the best means to bring about what is desired would be to have an amendment moved to the amendment which the hon. member for Vancouver South has moved to the original motion. The amendment would have as its purpose to divide the original resolution into two parts and have them appear on the order paper as two separate resolutions. This is a matter of procedure.

Perhaps the best course would be for me to leave the matter at the moment as I have explained it and to say that tomorrow, if the house is agreeable, I shall ask that we proceed to divide the original resolution in the manner I have directed. In order to do that I will ask one of my colleagues to move an amendment to the amendment of my hon. friend in the following words:

That the amendment be amended—

(a) by deleting the words "referred to the committee of the whole house with instruction to divide" and substituting therefor the words "divided as to"; and

(b) by adding at the end of the said amendment the following:

"the said resolutions to be expressed as follows:—"

The first resolution would read:

That is is expedient that parliament do approve the general agreement on tariffs and trade, including the protocol of provisional application thereof, annexed to the final act of the second session of the preparatory committee of the united nations conference on trade and employment held at Geneva from April 10 to October 30, 1947, together with the complementary agreement of October 30, 1947, between Canada and the United States of America; that the house do approve the same, subject to the legislation required in order to give effect to the provisions thereof;

The second resolution would read:

That it is expedient that parliament do approve the complementary agreement of October 30, 1947, between Canada and the United Kingdom relating to the general agreement on tariffs and trade, and that the house do approve the same, subject to the legislation required in order to give effect to the provisions thereof.

I give this as a notice at the moment. If hon. members would look carefully at what I have said between now and tomorrow, if it is then agreeable to the house we could proceed tomorrow with the suggested amendment to the amendment. This would facilitate having the Geneva agreement referred forthwith to a committee. The government would be glad to facilitate that procedure and would wish to take it. I might say that I understand

the committee to which hon. gentlemen opposite would wish to have the Geneva agreement referred is not a special committee of the house or a joint committee of the two houses; it is the standing committee on banking and commerce. That would be quite agreeable to the government if that is what is desired.

Mr. JOHN BRACKEN (Leader of the Opposition): What the Prime Minister has said involves two points. One is a question of procedure and the other is a question of content. As to procedure, he proposes that the government will proceed tomorrow with the discussion of the resolution relating to the Geneva agreement.

Mr. MACKENZIE KING: Only to allow the division I have suggested to be made. That seems to be the only way in which it could be proceeded with, to secure the objective I have mentioned.

Mr. BRACKEN: Yes, only in order that the resolution, which as we think includes two matters, shall be divided into those two; then both come back to the house for discussion later.

Mr. MACKENZIE KING: That is it.

Mr. BRACKEN: The Prime Minister has been good enough to indicate the exact form in which the two resolutions will come back to the house and speaking for the opposition we have no objection to that procedure.

Mr. HOWARD C. GREEN (Vancouver South): May I ask the Prime Minister whether it is the intention of the government also to refer to the banking and commerce committee the second resolution which will deal with the imperial preference?

Mr. MACKENZIE KING: The first resolution regarding the Geneva treaties is the only one it has been decided to have referred to the banking and commerce committee. As to the other the government has reached no decision. I would have to consider that further.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, we can give general approval to the procedure suggested. All it seems to do is what the hon. member for Vancouver South (Mr. Green) suggested, to cut out the reference to the committee of the whole house. That procedure seems more expeditious and, if I may say so, less cumbersome, and is probably more satisfactory.

Mr. SOLON E. LOW (Peace River): We are prepared, Mr. Speaker, to facilitate the division suggested by the Prime Minister. I have already indicated to the Secretary of State for External Affairs (Mr. St. Laurent) that we prefer to have the one resolution covering the Geneva agreements sent to the banking and commerce committee.

Mr. T. L. CHURCH (Broadview): Are the peace treaties with Canada now of no effect, since Hungary and Roumania are only Russian satellite countries and Finland and Italy are also in turmoil through Russian demands upon them? Will the proposed treaties with these countries not now be obsolete?

Mr. MACKENZIE KING: We are not on the orders of the day as yet. The question my hon. friend has asked might be more appropriately asked at that time.

VETERANS AFFAIRS

APPOINTMENT OF SPECIAL COMMITTEE TO CONSIDER PENSIONS, TREATMENT AND RE-ESTABLISHMENT

Hon. MILTON F. GREGG (Minister of Veterans Affairs) moved:

That a select committee be appointed to consider the legislation relating to pensions, treatment and re-establishment of former members of His Majesty's armed forces and of other persons who have been otherwise engaged in pursuits closely related to war, and to make recommendations from time to time in respect thereto.

That the committee shall have power to send for persons, papers and records, and to print such papers and evidence from day to day as may be ordered by the committee.

That the committee shall have leave to sit while the house is sitting.

That eighteen members of the committee shall constitute a quorum.

That the committee shall consist of Messrs. Baker, Belzile, Benidickson, Bentley, Blair, Blanchette, Brooks, Croll, Cruickshank, Dickey, Dion, Emmerson, Gauthier (Portneuf), Gregg, Green, Harris (Grey-Bruce), Harkness, Herridge, Isnor, Jutras, Langlois, Lennard, MacNaught, McKay, Marshall, Moore, Mutch, Pearkes, Quelch, Ross (Souris), Skey, Tucker, Viau, White (Hastings-Peterborough), Wright, and that paragraph 1 of standing order 65 be suspended in relation thereto.

He said: Mr. Speaker, in presenting this resolution it is not my purpose to enter into a full report of the work of my department since last year. I shall be very glad to submit all matters affecting that work to this committee and at appropriate times to the house. By setting aside today to discuss this resolution the Prime Minister (Mr. Mackenzie King) has already indicated the desire of the government to have this committee set up, and I assure you, Mr. Speaker, that I shall

not kill the hope I have that it may be set up today by entering into a long discussion at this stage.

First I should like to say a word about the former parliamentary committees dealing with veterans matters. During the twenty years between the great wars a good deal of ground was broken relating to questions arising out of the old war. Some hon. members will recall that during the period when the hon. member for Quebec South (Mr. Power) was my predecessor in this department certain advances were made, but even so, when the committee appointed during and immediately after this last war came into being, hon. members who sat on the committee were faced with a task of great importance. The new situation introduced many new features, and I think, Mr. Speaker, a word of tribute might well be paid to those committees for the way in which they approached those problems, for the evidence they sifted and the non-partisan manner in which they went at their task, and lastly that they were able to bring in the foundation for a comprehensive program for the veterans.

I think it was important that that program was comprehensive from the very start and did not come in piecemeal after demobilization had begun. It was also important that it was ready in good time, and for that result the committee which sat during the war deserves credit. Being ready in good time, the information arising out of the committee's report and the legislation of this house, in liaison with the Department of National Defence, was carried to service people in all parts of the world, and in that way a receptive spirit was built up before service personnel came out of uniform. When they did come back, as soon as their demobilization was completed the plans were there ready for them to enter into.

There is another fact worth mentioning, and that is the relation of the work of the committee to the whole Canadian population. At the end of this war the people as a whole throughout Canada were determined that this time nothing should be left undone to make rehabilitation and re-establishment work. A good many old veterans of the first world war looked with a good deal of concern on their past experience and wondered whether the fervour at the end of this war would have as short a life and become swallowed up in materialism as it was in the early twenties. The work of the committee carried forward to parliament and interpreted to the people in Canada did much to crystallize that desire on the part of the Canadian people, and I am glad to say that that co-operation on their part has been sustained down to the present time.

I should like also to pay tribute to the happy relations that existed between these committees, during the war and after, and my department. The department, under the vigorous and able leadership of my predecessor, had a terrific task with which to cope. Hon. members will recall that in 1945 the tempo of demobilization was greatly accelerated when compared with that which was anticipated. This afternoon we are proposing a new committee. In that committee there will be the opportunity to find out how this plan has been working. I am free to state that as minister I shall welcome any well-conceived and constructive suggestions on how to improve on the plan administratively.

The committee may also want to hear and consider representations regarding the plan from persons and bodies in various parts of Canada.

May I say a word or two on points of detail. Following the resolution a bill will be introduced reflecting the announced increase in pensions. The government will be very glad to have that bill pass through all stages as early as possible. Whether all hon. members agree with all the details of the bill as forecast, I am sure that that would be their wish. I have looked into the matter, and if it is possible for this bill to pass through all its stages in a short time it will be possible administratively for the approximately 200,000 files to be checked and brought up to date for the mechanism to be carried out to convert them into cheques and for those cheques to be received by veterans in the early part of April, if authority can be given by Easter. If we could obtain unanimous consent I would be prepared to recommend the approval of the bill this afternoon, and then submit it to the committee on veterans affairs for study or adopt any other procedure to make it possible. The other legislation forecast will move forward without delay. So far as the increases in the allowances to the dependents of student veterans in training is concerned I should like to state that these increases will be reflected in the cheques going out at the end of this month.

I am quite certain that this committee will approach its task with earnestness of purpose and energy, and I commend it to the favourable consideration of this house.

Mr. A. J. BROOKS (Royal): Mr. Speaker, may I first offer my congratulations to the minister on his maiden speech on veterans affairs. We have now been sitting for three

months. We had hoped, of course, that this very important matter would have been before the house long ago. I am glad that we are now taking steps to see that the veterans of this country receive in some measure the rights to which they are entitled. I do regret, as I know other hon members in this house have regretted, the long time it has taken to set up this committee. When the house met last December it was recommended by myself, and by many other hon. members on this side of the house, that a veterans committee be immediately set up. We are anxious that the veterans of this country should receive the benefits to which they are entitled and which we all know they need.

I mentioned some few weeks ago that the great rise in the cost of living had imposed many hardships on the veterans, and as I said a moment ago, we had hoped that a veterans committee would be set up and that these bills would be passed through the house and that the veterans would have received this relief which I know they are all waiting for.

The minister has said that it is his intention to submit all matters of the department to the veterans committee. That is as it should be. The veterans committee has worked on veterans affairs for a great many years. I join with the minister in congratulating the committees which have worked in the past. His tribute to them today is well merited. He said there had been happy relations between the different parties. As a member of a number of veterans committees I can state with a clear conscience that so far as I am concerned there have been very happy relations between the different parties that worked on the different veterans committees.

The minister also mentioned a bill having to do with increases in pensions and said that he hoped it would be passed as quickly as possible. I would point out to him that his hurry now does not seem altogether in keeping with the actions which the government has taken during the past three months. Today, after three months of delay, the minister tells us that they are very anxious to rush through legislation. I would point out to him and to the government that this could have been done, and should have been done, many weeks ago. The minister has also emphasized the great change in veterans legislation. Year after year we note that veterans legislation is never finished. Something is always coming up; new situations arise which make it necessary to make changes in veterans legislation. I suggest now—it has been suggested by many hon. members on different occasions—that there should be a standing committee of the house on veterans affairs. If a standing committee had been appointed last year when it was suggested, we would not be waiting until almost the middle of March, although the house met in December, to deal with veterans affairs. Instead of receiving these cheques, which the minister mentioned, in April, they would be receiving them now. I do impress upon the minister and upon the house the great necessity of setting up a standing committee on veterans affairs.

The minister reviewed somewhat the history of veterans committees. We all remember that the first committee was set up in 1916, I think. This committee started from scratch. They had no precedent to follow so far as their work was concerned, but we all agree that they did splendid work. Many committees have been set up since. That is another point which bears out my argument that we should have a standing committee. Since the first committee was set up in 1916 to the outbreak of this war there have been sixteen committees. There have been four committees since, making some twenty in all, which only emphasizes the fact that a standing committee is a necessary committee in this necessary work.

I need only mention the names of the men who headed the first committee to show the prominence that has been given to veterans affairs. We had such men as the Hon. W. F. Nickle, the Hon. Newton Wesley Rowell, Hon. Hume Cronyn, the Hon. Sir Herbert Marler, the Hon. Cyrus Macmillan, the Hon. C. G. Power, and last, but not least, I am sure, the hon. member for Rosthern (Mr. Tucker), the present leader of the opposition in Saskatchewan and who, I am sure, will attain to that honourable position of leader of His Majesty's loyal opposition in that province after the next election.

Mr. TUCKER: I hope to do better than that.

Mr. GREEN: What a hope!

An hon. MEMBER: Hope springs eternal.

Mr. TUCKER: It is up to the people to say.

Mr. BROOKS: If such a committee had been set up it would not have been necessary to go through all this red tape in setting it up at the present time. Had it been set up last year it would have been operating before Christmas and pensioners would now have had their increase, war veterans would have had their increase in allowance, and many other benefits would already have been received by veterans.

This committee is smaller than the committee we had in 1945 and 1946. I feel that

in setting up a committee again the men who worked so hard in those years to prepare the so-called veterans charter should have been the same men on the committee at this time. I feel that the house and the committee are losing the valuable experience of many men who are very well versed in veterans affairs and who are extremely anxious to help in this work.

I know that these men were very anxious to be on the committee. As far as the terms of reference are concerned, the minister said a moment ago that all matters pertaining to veterans would be referred to the committee. The resolution reads:

That a select committee be appointed to consider the legislation relating to pensions, treatment and re-establishment of former members of His Majesty's armed forces and of other persons who have been otherwise engaged in pursuits closely related to war, and to make recommendations from time to time in respect thereto.

I would call the minister's attention to the fact that, besides making recommendations, the resolution in 1945 gave the committee the opportunity and the right to submit draft bills to the house, and I am wondering why that was left out of the present resolution.

Another matter which I think deserves our attention is the fact that in mentioning the armed forces the merchant marine has not been included as such. We on this side of the house have advocated time and again, and we have argued, that men of the merchant marine should be included in the armed forces. Men of the merchant marine were told during the last war, by men of high standing in the government, that they were the fourth arm as far as service is concerned. It is not necessary for me to enlarge upon that; the facts are too well known to the house. We do feel, however, that the merchant marine, the men of the merchant navy, have not received and are not today receiving the justice they are entitled to from this Canadian house of parliament.

Having this in view, I should like to offer an amendment to the resolution, as follows, moved by myself and seconded by the hon. member for Vancouver South:

That the motion be amended by inserting, after the word "forces" in the third line thereof, the following, "including the merchant navy."

The resolution will then read:

That a select committee be appointed to consider the legislation relating to pensions, treatment and re-establishment of former members of His Majesty's armed forces, including the merchant navy, and of other persons who have been otherwise engaged in pursuits closely related to war, and to make recommendations from time to time in respect thereto.

And so on.

Like the minister I do not intend this afternoon to go into all phases of veterans affairs, but there are a few matters I should like to refer to. We often hear a comparison made in this house with other nations, and we are told, when we ask for benefits for our men, that our veterans legislation is the best in the world. That is a very general statement, Mr. Speaker, and one which I do not think will always bear very close scrutiny. I am not saying that our veterans legislation is not good. It is good. But in some points we feel it could be improved, and I do not agree, as has been stated, that the veterans legislation in Canada is, on balance, the best legislation in the world. I took the trouble not long ago to write to Washington to get reports on veterans legislation in that country, and I was amazed at some of the benefits which the veterans of the United States receive in comparison with our Canadian veterans.

I will not take time this afternoon to give a detailed list, but among some of those benefits I would mention that the student who goes to a university receives free textbooks, which is a great benefit to the man attending university. That is besides free tuition, which we of course give in Canada. The veteran there also receives one extra year besides the time of service. Here in Canada our veterans receive $60 a month for every month they served in the army. In the United States they receive $75 a month, but they not only receive that for the time they served in the army; they also receive a year's bonus. That is, if a man served in the army 18 months he would get 30 months' tuition at the university at the rate of pay I have mentioned. Again, the veteran who is disabled, who has lost a leg or an arm, is given a free car up to $1,600 a year. A man who is blind has provision made for him. He is given a seeing-eye dog. There are other advantages which I think the blind man should have. There is also a helplessness allowance. In Canada our men receive $750 a year. The Americans pay up to $360 a month for helpless pensioners. I might also say that, going over this list, besides what is received from the central government in the United States, every state in the American union has passed laws granting benefits to their returned men. When this is all considered, when it is all added up, it is not a fact to say that Canadian legislation provides more than any other country in the world.

I should like to mention another matter which appeals to me very strongly and that is the question of preference in employment. I am not going to discuss civil service employment; so far as the civil service is concerned, taking it in general, with some exceptions of

course, the civil service preference has been fairly well carried out. But there are many other preferences in employment besides those under the civil service.

From the very highest to the lowest in this country, there are positions which do not come under the civil service. I would mention, for instance, the matter of appointments to senatorships and judgeships. After the last war, as we all know, men who were very prominent in the war were appointed to the senate irrespective of political affiliations. The same applied to judgeships. Taking my own province as an example, I know that during the last three or four years, in appointments, as far as judgeships and senatorships are concerned, the veterans preference has never been taken into consideration. At the present time we have a situation in the province of New Brunswick to which I should like to call attention. Chief Justice Baxter, who was one of the most learned jurists, I suppose, in the dominion, passed away nearly a year ago. Mr. Justice Harrison, who has since been acting as chief justice, is a judge of very high standing; I suppose few judges in Canada have a higher standing than he has. He was a veteran of the first world war, but he has not been appointed chief justice. Mr. Justice Harrison would make a splendid chief justice, but because he did not belong to the right political party we have to wait for the time to come when a political appointment can be made. I say that these things are not right. It is the duty of the federal government to set an example in matters of this kind. We complain of discrimination in some of the lower appointments, but if there is discrimination in the higher appointments we cannot very well complain of it when we meet it in some of the minor appointments.

There is a matter to which I wish to refer, Mr. Speaker, and it is something that has been called to my attention on numerous occasions. I have received a number of letters about it and have been asked to place it before the House of Commons. It has to do with this question of political discrimination. I quote from the Halifax *Mail* of Wednesday, November 19, 1947. The heading of this article is "Political discrimination against vets charged", and it reads as follows:

Discrimination against war veterans in favour of political workers was condemned at a meeting of the executive council of the provincial command, Canadian Legion, during an all-day session at Halifax on Monday. Following heated discussion which arose over a letter by a Halifax county Liberal party chairman, the executive committee released a statement and the text of the letter, with a request that both be published.

[Mr. Brooks.]

I might point out that the executive council of the provincial command, Canadian Legion, in Nova Scotia—as in every other part of this dominion—is a non-political organization. These men are not politicians. They belong to all parties. The membership is made up of members of every party there is in this country. The only object they have is to see that the veterans get what they consider a square deal. The article continues:

The Legion's statement with the names omitted from the letter quoted is published herewith. Canadian Legion officers said they have the names on file.

"There was a heated discussion in the meeting of the executive council of the Nova Scotia command of the Canadian Legion over apparent discrimination against war veterans in favour of political workers in Nova Scotia government projects. Particular indignation was voiced against an attitude which was considered all too prevalent"—

I should like to emphasize those words, "against an attitude which was considered all too prevalent."

—expressed in a letter which frankly stated that a war veteran to hold a government job must vote for the Liberal party. The full text of this letter from the chairman of a patronage committee to the secretary of a Canadian Legion branch, follows.

If I may comment on that expression "all too prevalent", this indicates that it is not an isolated case. If it were, I would say nothing about it. But where one man has the temerity and is stupid and foolish enough to put his thoughts on paper, there are hundreds of cases in which the facts are not published. I might say in this connection that I know of many similar cases in my own province of New Brunswick. I will not read all of the letter. The chairman sets out what his position is, then he goes on to say:

From the general theme of your letter—

That is the letter he received from the chairman of the provincial command of the Canadian Legion in that district.

—one would gather that only a veteran need be protected in this land of ours. What about the men on the home front who made it possible before, during and now since the war is over, for such people as the veteran to be taken care of?

That shows the mental attitude of this man. To continue:

One would think some political scheme was being endorsed in laying Mr. Blank—

I have the name here.

—off the road now under construction. Since you speak a great deal of the Liberal committee, Mr. Blank, being a veteran and not being asked his political views when enlisting; well, I think if you probe a little deeper into the

matter you'll find that when he went to enlist for a job on the road he wasn't asked that particular question either, but we did think, and I think you'll quite readily agree also, that after being employed since early spring under a Liberal government project, plus having the polling station on his premises on election day, he would cast a vote in our favour. Now if that isn't protecting the veteran, I do not know what other terms it could come under, to give a man such a chance as this, then in return only ask the marking of an insignificant little "x" for John Dickey when election day came. But no, he would not consider, and it is perfectly right that the truck that filled the gap was a non-veteran, but not a non-worker for the Liberal government.

That is the attitude, Mr. Speaker, of this particular man. He goes on to say:

May I acquaint you with the fact that these orders were from under the same jurisdiction that passed the legislation for Legion protection. We do absolutely nothing on our own.

He does not say he is doing it on his own. He says it is done by the orders of the same people who passed the legislation for Legion protection. They do it on the suggestion of someone else. He goes to say:

They are back of us 100 per cent all the way. In other words the Liberal government is running this affair and not the Canadian Legion, so if you want to take steps in any way, take them to further co-operation of the servicemen, for some of them want all in all. I consider they are being greatly taken care of, so much so that they should support us when election time comes if they had to crawl on hand and knee to the polling booth to cast a Liberal vote.

Some hon. MEMBERS: Shame.

Mr. BROOKS: I might say, Mr. Speaker, that I do not think we ever heard such a political philosophy as that, to the effect that the veteran, the working man, besides giving an honest day's work for an honest day's pay which he receives from public money paid to the government by all parties in this country, must give his vote to the government party. Surely the working man is entitled to his share whether he votes for the Liberal party or whether he votes for some other party. To ask that he sacrifice his rights as a citizen of this country, and to give up his right to vote as he pleases—a right won for him by great sacrifices over a long period of time—is to me, Mr. Speaker, a philosophy of nazism, a philosophy which these men fought to destroy in Europe; it is a philosophy which is eating at the very heart of this world today in connection with communism.

This, as I say, was not even an isolated case in that particular district, because the writer of this letter goes on to say:

I may say in passing that we dealt with a case similar to this already this summer, when a so-called veteran boasted very highly of putting his truck on the road without consulting me. He told Mr. Blank as much as that in my presence, but right then and there Mr. Blank brought the lad down to earth and forced him to eat humble pie or else.

There is more to this letter but I do not think I will take the time of the house to read further. I do believe this indicates the attitude of this particular man, and as I have said it is quite a general attitude in many parts of the maritime provinces at the present time. The article states:

The Legion is pressing for the principle followed by the federal government in granting a preference in employment in all government projects to war veterans. They cannot recognize as valid the principle that workers for a political party have a claim on the people of this province superior to that of the veteran who served his country in the hours of her greatest need.

Someone may ask why I bring this matter before the House of Commons. As I stated a short time ago, in the first place I brought it up here because it had been called to my attention by a great many people; and in the second place because I think it represents a very unjust principle which is being practised in many parts of this country. I had another reason for bringing it up here. A few weeks ago in moving for the appointment of a committee to inquire into price increases the Prime Minister (Mr. Mackenzie King) said publicity was the greatest weapon that could be used against any person guilty of meanness toward his fellow men. These were his words, to be found at page 747 of *Hansard* for February 2:

Whatever men may be in their individual lives, there is nothing they abhor more, if they have been guilty of any meanness or taken any undue advantage of their fellow men, than to have that meanness exposed in public.

That was one of the more important reasons that impelled me to raise this matter today. The Prime Minister went on to say:

I for one firmly believe in the power of publicity when based on facts. Public opinion plays a very large part in determining the course of events and the conduct of human beings.

I do not think it necessary to comment further on that point. I am not accusing the Premier of Nova Scotia of being guilty of this act. I do not think he is; but we all know it is not always the men at the top who do the mean things as far as politics is concerned. Throughout the country we have men in smaller positions, chairmen of committees or men holding small jobs which they wish to protect. They are not so much interested, perhaps, in having the premier elected as in seeing that their own jobs are protected,

and they do everything possible to this end. I think it is more necessary now than ever before that we jealously preserve our democratic principles. It may be said that this has happened on other occasions. I can neither deny nor affirm that; but today we are living under conditions very different from those which obtained years ago. Today we have thousands of men employed by the government whereas years ago there were very few such jobs, in comparison. Today some say half our people are receiving cheques from the government. I do not know whether that is altogether true, but there is no doubt we have millions of people in receipt of benefits from the government. This being so, as I said a moment ago it is more important than ever before that in matters of this kind we exercise the greatest possible care. It is not good for a country that the party in power should be able to fortify themselves by these methods and perpetuate their tenure of office. I believe it calls for a greater fight on behalf of the plain citizen, the little man in the country district who pays his taxes, who is willing and anxious to work. He should be given the same protection, and should enjoy the same benefits from the taxes he and his friends pay, as the man who votes for a certain party. These job holders have become arrogant and arbitrary. They are the little dictators, the little tyrants of the political party in their own districts. As I said before, their main idea is to keep their government in power so they may protect their jobs. I should like to read what Musquodoboit harbour branch No. 82 of the Canadian Legion had to say about this letter:

> The incredibly offensive tone of that letter is an almost unbelievable insult to every ex-service man. For an agent of a political party to make such a statement that veterans should be willing to crawl on their hands and knees to the polling booth to vote Liberal—presumably in gratitude for the benefits of D.V.A.—is a dangerous, tactless provocation of the cheapest kind . . .
>
> If there is any point of gratitude involved in veterans' affairs it should surely be gratitude on the part of people like the patronage chairman that they are not now having the hide whipped off them in an SS concentration camp.

I have made inquiries, Mr. Speaker, and it would seem to me that this man in particular should have been dismissed. That is one of the things which should have been done immediately this was made public. My understanding is that it has not been done. An example should be made of this man and others guilty of such offences; that is the only way to clear up a situation which I know is becoming more prevalent all the time, at least in the maritime provinces.

A few weeks ago I discussed veterans affairs in some detail. The minister says all such matters are to be sent to the committee, and as a member of that committee I will have an opportunity to discuss them there. Therefore I have no further remarks to make this afternoon.

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I hope to be brief in my remarks. I believe I speak at least for the members from my province on this side of the house when I say that we have approximately one hundred veteran members of the House of Commons, and we desire that such legislation as has been brought down, or is to be brought down, should be put into effect as soon as possible. I also believe it is our desire to get the committee set up in an endeavour to help the veterans of Canada. If each of the one hundred veteran members of this house makes a forty minute speech dealing with individual political cases, however, when will the veterans of Canada get any justice?

Mr. BROOKS: Not individual cases.

Mr. CRUICKSHANK: I agree with the hon. member for Royal (Mr. Brooks) in his opening remarks; but if each of us brings up individual cases, however just they may be, of veterans being fired or not getting certain jobs, we will never do anything for the veterans as a whole. I am perfectly sure that the members from British Columbia sitting on this side of the house will not adopt that approach. We do not believe in that in British Columbia.

I am not quite sure what my hon. friend's amendment was. If I understood it perhaps I could support it, though I think it is covered in the resolution itself. However, I am very glad to see that the hon. member for Royal has adopted my stand in connection with the merchant marine. Last year I was given a verbal spanking by my own minister for what I said in this connection.

Mr. BROOKS: I have always advocated that.

Mr. CRUICKSHANK: I did not interrupt you when you read your essay about the unemployed veterans in the maritime provinces, so don't interrupt me.

Mr. BROOKS: I did not make any mistakes.

Mr. CRUICKSHANK: No, and you did not do anything for the merchant marine last session. As I understand it, I do not see why

I cannot support the amendment, though I believe it is covered in the resolution, in these words:

> . . . and of other persons who have been otherwise engaged in pursuits closely related to war, and to make recommendations from time to time in respect thereto.

If that does not cover it, then I shall be glad to support the hon. member's amendment. I was pleased with the new minister's statement in this connection. However, I should like to give credit to the former minister. I did not always agree with him, and in fact at one time last year he undertook to spank me verbally in connection with the merchant marine. But I got five favourable editorials in the newspapers and he got none. I want to pay a tribute to the work he did for many years as minister. I know he was not always popular with my own branch of the Legion, but I want to tell the members of my own branch of the Legion and the members of his party and the House that in so far as he could influence the government he did his utmost at all times for the veterans of Canada.

There is one thing which I am sorry the hon. member for Royal did not mention. I think we should get this committee set up in order to deal with war veterans allowances. If there is any group in Canada in need of immediate attention it is those in receipt of veterans allowances. Their allowances are totally inadequate. I think also the new scale of pensions as recommended is inadequate. For goodness' sake let us get this committee set up and not have each one of us making a forty minute political speech. Let us get this committee set up so that we can help the veterans.

Reference was made to the fact that veterans were not given preference in making appointments to the other place. If there is any class of veteran in the whole Dominon of Canada that is being ill treated, in my opinion it is the totally disabled. With all due respect to those who are totally disabled I can think of no better place to send them than to the other place. That might solve one problem.

There is one point I should like to refer to. Apparently the whole history of veterans in the maritimes is that of men who did not get jobs. There have been only three appointments made in my riding since 1940. The organizer for the C.C.F. got one and Conservatives got the other two. Let us get away from this penny-ante stuff; let us get this committee set up. I know we can work with the opposition members on that veterans committee. As the hon. member for Royal said, we got on quite well in the two previous veterans committees. We had our little disputes, but on the whole we worked quite well together.

I cannot speak for all hon. members, but I know I speak for British Columbia members when I say that we are desirous of getting into committee immediately and getting this legislation, such as it is, placed on the statute book in order that these men may get their cheques. Then we can do our utmost in the committee to see that the veterans receive a more adequate pension than is provided by the amendment, and also that those in receipt of veterans allowance are taken care of.

Mr. E. B. McKAY (Weyburn): Mr. Speaker, I desire at this time to make a few observations with regard to the resolution to set up a select committee on veterans affairs. This committee is to consider legislation relating to pensions, treatment and re-establishment of former members of His Majesty's armed forces and of other persons who have been otherwise engaged in pursuits closely related to war. That seems to me to be a very large order. There are in this country 800,000 veterans of the last world war. When one adds to that number the veterans of world war I and their dependents, as well as the dependents of the second world war veterans and all the groups related to the various pursuits that were close to war such as the merchant marine, the nursing services, the men who flew in ferry command and the fire fighters, the total of those we have to deal with assumes staggering proportions.

The Department of Veterans Affairs is one of the heavy departments dealing with national welfare, and it certainly is one of the most important. When the estimates of this department are brought before the house they are subjected to the closest scrutiny. They are frequently held up, however, by the discussion of special cases. These special cases have to be dealt with but I do not consider the floor of the house is the place to do it. These special cases, or perhaps they might be called marginal cases, have to be considered by some person or some group in authority. I suggest that in order to facilitate the passage of the estimates of the Department of Veterans Affairs a permanent parliamentary committee be set up. There is no doubt in my mind that weeks could be lopped off every parliamentary session if a permanent committee on veterans affairs was functioning throughout the session. There was no committee last session, and the passage of the estimates of this particular

department was slow and tedious, despite the fact that we had a minister who was genial and co-operative. I submit that in the best interests of the veterans at large and of the proper conduct of the work of this house it would be wise to set up a permanent parliamentary committee to deal with veterans problems.

There are a great many problems to be considered by the suggested committee. I shall refer to only a few of them because I do not want to be accused of holding up this resolution. I believe the whole schedule of pensions and the schedule of allowances referred to by the previous speaker should be revised. Pensions and allowances still remain at the basic rate which was struck in 1926. There have been a few adjustments made but they are totally inadequate and still insufficient to enable the veteran and his family to enjoy the standard of living which the schedule of 1926 intended them to have. The present pensions are inadequate because of the increased cost of living and because today the Canadian standard of living is higher than it was twenty-two years ago.

I feel also that the single veteran student should have been included in the recent increases granted to recipients of training allowances. These young men and women are experiencing grave difficulty in carrying on their courses because of financial need. They receive $60 a month, which seems a considerable figure to some of us who struggled through university on much less, but the cost of living in those days was nothing compared to what it is today. I suggest that because of the increase in the cost of living—it has gone up about twenty-five per cent since 1944—the training allowances schedule be revised upward. It seems only fair that the single veteran student should be included along with the married veteran in the change of schedule rates.

I would also wish that the committee be again allowed to consider the granting of clear title to the soldier settlers of 1919. There is still an average of over $1,000—$1,089, to be exact—against each farm unit after the passage of twenty-nine years. These men have struggled for years trying to make ends meet. Surely after twenty-nine years it is time to right this wrong and rectify an injustice. The interest rates were too high; this has been generally conceded, and care was not exercised in many cases in the choice of land. Others were the victims of circumstances. I hope this matter may be again discussed in the committee.

[Mr. McKay.]

Another matter which deserves the serious consideration of the committee is the rehabilitation of Canada's merchant seamen, the fourth arm of the service, as they were frequently called. As far as I am aware there are no merchant seamen in my constituency, but I do feel that the merchant seamen have been the victims of an injustice. I feel that they should have received the same rehabilitation grants and more particularly the same training allowances, as veterans received. True, they were not in uniform, but they rendered an invaluable service to Canada in her hour of greatest danger. Their casualties were heavy, their sufferings great. These brave men should be given an opportunity to make representations to the committee. That same opportunity should be given to a few other groups I shall mention. I feel that we should ask for representations, for instance, from the men of the ferry command, the fire fighters, war amputations, and the nursing services.

Finally I think there ought to be an investigation into the failure of the Veterans Land Act. It has failed to provide farms for thousands of veterans who have been clamouring for land in the west. Settlement has been slow, too slow. Many have been unable to get established despite the fact land is available everywhere. The loan granted is inadequate. I said so two years ago in this house. It is even more true today. The administration of the act appears cumbersome and inefficient. A recent return made in this house gives us some interesting figures regarding the slowness of settlement and the cost of loans to veterans. These figures are taken from sessional paper 134E, 1948. It shows that only 846 veterans were settled under the Veterans Land Act in 1947 in the province of Saskatchewan. The total number settled since 1943 in Saskatchewan up until December 31, 1947, the end of the last calendar year, was only 4,029. That is an average of approximately 1,000 veterans settled per year. The number of veterans who desire land in Saskatchewan has been estimated at some 30,000. That estimate was arrived at by taking the number of veterans who had enlisted from Saskatchewan in this war and comparing it with the number of veterans who were settled under the old soldier settlement scheme of 1919. Settling our veterans on land at the rate of 1,000 per year is not fast enough. At this rate it will take from twenty-five to thirty years to do the job and accommodate the men who want land.

The expenses for administration under the Veterans Land Act also appear to be excessive. In Saskatchewan alone, according to this same sessional paper, there were paid under the

Veterans Land Act for travelling expenses, $39,009.40; salaries, $318,129.64; rent, local, $127; miscellaneous, $40,536.28. There was also a further amount paid by the Department of Public Works for rent, light, heat, taxes and so forth, the figures for which are not given in the return. The total expenses for 1947 for administration were $397,848.32 by the figures revealed. When one divides this cost by the 846 loans which were approved in the province of Saskatchewan in 1947 it works out at $470 per loan. Added to that of course must be the pro rata share of the extra expenses paid by other departments, mainly public works, for rent, light, heat and that sort of thing, for which no figures are given in the return. The total amount of money lent to veterans in Saskatchewan for 1947 was $3,588,790, or an average loan of $4,240. Therefore the cost of administration is more than eleven per cent, plus the extras previously referred to, which might run to another ten per cent.

This indicates an unsatisfactory state of affairs. The whole program under the Veterans Land Act ought to be thoroughly scrutinized and most carefully investigated.

It must be apparent to all, Mr. Speaker, certainly to all members of this house, that there is a great deal of work to be done by this select committee on veterans affairs. I feel it is a matter for some regret that the committee was not set up earlier. There are many important and urgent problems to be dealt with. It is my hope, however, that much can be done in the weeks ahead to assist the veteran in the solution of the many grave problems with which he is confronted today.

Mr. VICTOR QUELCH (Acadia): Mr. Speaker, I shall be brief because I am a member of the committee and shall have plenty of opportunity there to say what I think should be done. We in this group appreciate the work and the sincerity of the former minister of veterans affairs, and we are afraid that the present minister will in all probability run into the same obstacle his predecessor so often ran into, namely, adverse decisions of the treasury board.

The Minister of Veterans Affairs (Mr. Gregg) this afternoon gave us the assurance that the terms of reference of the committee would be wide enough to permit all matters relating to his department to come before the committee. After reading the terms of the reference I should have thought they were wide enough to permit a full discussion of the merchant navy without the moving of the amendment, because, as I remember it, the merchant navy was not specifically mentioned in former terms of reference; nevertheless we did discuss the merchant navy in former committees.

It will be recalled that at the time the veterans charter was being considered by the special committee on veterans affairs in 1946, a great deal of dissatisfaction was expressed at the inadequacy of some of the measures contained therein. Subsequent events have proven that the dissatisfaction was justified at that time. Consequently the failure of the government to bring down certain amendments to veterans legislation has, in many cases, caused extreme hardship.

Having in mind that the Department of Veterans Affairs will be making heavy expenditures on behalf of veterans for a number of years and that veterans problems will continue to be acute ones in the future, we also think it would be a good idea if the government would make the committee on veterans affairs a standing one, so that from year to year the committee would be in a position to deal with various matters relating to veterans without having to wait for several years before a special committee was set up.

We in this group would like to join in the protest that has been made regarding the inadequacy of the government's proposal with reference to an increase in disability pensions. We do not believe that such a low rate can be justified, having in mind that the cost of living, apart from rent, has increased by 40 per cent since the rate of pensions was last set. We feel that the legion request for a 25 per cent increase for all beneficiaries under the Pension Act is a reasonable one. Then, the present procedure of reducing pensions of veterans of world war I when examination shows a reduction in their disability is an extremely vicious one. After all, it is approximately thirty years since the first war, and the average age of the veteran is now fifty-nine; yet the government apparently tries to save a few dollars by penalizing those old veterans, and the consequence of that has been some tragic incidents, incidents that we have all regretted. Since that time most people, I think, feel it would have been a good idea if the government had made the present rate of pensions for veterans of world war I the floor, and that any revision made in the future should be upwards only.

I should like to say a few words with respect to the War Veterans Allowance Act. Probably some of the most tragic cases of hardship may be found amongst recipients of the war veterans allowances. I want to make it clear, however, that I am not for one min-

ute criticizing the administration of the act. I believe that those responsible for the administration of the act have always gone out of their way to be as generous as the act permits. The whole trouble is that the amount payable under the act is altogether too low to meet the current cost of living, and this is further aggravated by the ceiling on additional income. We feel that the rates should be raised at least to the level of $50 a month, without any means test. I think the means test is the main curse of the War Veterans Allowance Act. Furthermore, the ceiling allowed is restricted by the regulations governing the method by which the additional income may be earned or acquired. An additional income of $400 a year is allowed, of which only $250 may be earned income, $125 casual earnings and $25 interest from investment. If there were no strings attached to the additional income, if the veteran were allowed $400, it would not be quite so bad. To have a ceiling of $400 for additional income is altogether too low. If the government is not prepared to remove the means test, at least it could allow the veteran to have an income up to the amount of the exemption from income tax, which would be $1,500 at the present time.

I should like to say a few words regarding student veterans. We have received many letters from student veterans with regard to the scale of allowances and the fact that many of them have had to discontinue their studies on account of lack of funds. I cannot understand how any veteran would have to give up his studies on account of lack of funds, having in mind the fact that in the committee we dealt with legislation to grant to student veterans loans of $2,000. Therefore, when I received a brief from the National Council of Student Veterans of Alberta, Saskatchewan and Manitoba on this question I wrote to them asking how it was that veterans were having to discontinue their studies. I asked them whether or not these veterans had made use of the loan, and I should like to quote one part of the letter which I received with reference to these loans. The writer says:

> Regarding point (1) above, I agree with you that the terms of the loan are easy. The problem that many students have is in obtaining the loan. Apparently individual universities vary considerably in their conditions which determine eligibility for the loan. For example, a certain eastern university has discouraged the loan practice to such an extent that the students have lost hope of even attempting to obtain it. At the other extreme is a western varsity which can produce a long list of satisfied loan seekers. The students merely ask and they receive. I have had personal experience with the loan board of the University of Saskatchewan. On this campus the loan is viewed as an emergency measure only, and money is not given out unless definite proof is presented in the form of doctor bills, promissory notes, etc.

This letter is signed by Donald French, representative of the National Council of Student Veterans. I was quite surprised to get this letter, because when we discussed this matter in committee we were given to understand that these loans would be made available to help any student who found he was not able to carry on his studies. We now find that definite limitations are being placed upon the use of the loans. Therefore I urge the minister to make a thorough investigation into the whole question of loans in the various universities throughout the country to find out just what restrictions are being imposed upon the use of the loans and why in any one university loans can be granted, and yet, under exactly similar circumstances, a loan may be refused in another university.

Another matter which should be investigated is the present rate of taxation being charged settlers on small holdings under the Veterans Land Act. The intention of the act relating to small holdings, as originally drafted in 1942, was the settlement in semi-urban areas on a limited acreage with the opportunity to augment the small regular incomes. One of the main advantages was that of low taxes. The regulations set a ceiling of approximately $60; yet today we find that on some projects the settlers are having to pay taxes as high as from $150 to $270. There is a vast difference between $60 and $270. I have a brief on this question from settlers in the Bowness project, and I shall bring it before the committee when it is set up. If he has not already done so I hope that the minister will make a full investigation into the Bowness project to find if some form of relief cannot be given in that case. If it is not possible for the municipality to reduce the taxes, then I think there is some responsibility on the federal government to try to take care of the situation.

In closing I should like to say that some consideration should be given to the demands of the fire fighters in view of the fact that a definite promise was given to them upon enlistment that they would be considered in the same category as the men who served in the armed forces. We also feel that further consideration should be given to the merchant seamen. It is not necessary for me to refer to the wonderful record of these men to show that many of them served in far more

dangerous areas than many men who today are getting the full benefit of the veterans legislation.

Mr. HOWARD C. GREEN (Vancouver South): Mr. Speaker, in the course of the debate on the speech from the throne I spoke on February 19 about various aspects of veterans affairs, and I have no wish to cover the same ground today. However, there are three other points I should like to raise, and if the house will bear with me for a few minutes I shall try to make them clear.

In the first place, I urge that the minister and every member of the house accept the amendment which has been moved by the hon. member for Royal (Mr. Brooks) and seconded by myself. As you will have noticed, Mr. Speaker, that amendment merely adds, after the words "His Majesty's armed forces", the further words "including the merchant navy". So that if the amendment is carried, the first paragraph of the resolution we are considering today will read:

> That a select committee be appointed to consider the legislation relating to pensions, treatment and re-establishment of former members of His Majesty's armed forces, including the merchant navy, and of other persons who have been otherwise engaged in pursuits closely related to war, and to make recommendations from time to time in respect thereto.

I suggest to hon. members that it will be of value to the committee if this resolution is adopted with the amendment included, because the committee may then take it that the merchant navy should be treated as the fourth arm of the services. During last session we had several debates on the question of whether or not the merchant navy men had received proper consideration; and personally I have been of the opinion, and I am today, that there is not a member in this house who does not believe that these men should be treated as though they had served in an arm of the forces. Therefore I suggest that we make it quite clear at this time by including the four words proposed.

I would refer hon. members to a promise made by the Prime Minister (Mr. Mackenzie King) on July 8 of last year, to be found at page 5210 of *Hansard*. He entered the debate on the question of whether the veterans preference in the civil service should be extended to men in the merchant navy, and he said:

> . . . . the proper way to proceed would be to have the position of the merchant seamen further considered at another session of parliament. I will undertake to say that I would advocate that that course should be taken before a special committee in the light of what has been said here this afternoon.

If we go back to the speech from the throne in 1945 we find the following:

> Our country will ever remember with pride the heroic exploits of Canada's fighting men and merchant seamen.

This implies that the government in 1945 considered that the merchant seamen were, in effect, the fourth arm of the services. I have here a magazine, *Searchlight*, published by men in the merchant marine, and it contains a statement by the Hon. Mr. Michaud. I notice the Minister of Labour (Mr. Mitchell) is smiling. There is a statement by him in the same publication, much to the same effect.

Mr. MITCHELL: I am not smiling. There is no law against it. I would not smile at my hon. friend; he takes himself too seriously.

Mr. GREEN: The minister has a pleasant smile and I am glad to see him smiling today. This is a statement by the Hon. J. E. Michaud, published in February, 1945:

> No other body of men in Canada's fighting services has done more for the cause of freedom than those unsung heroes of the sea—the merchant seamen. All our war effort would be unavailing if it were not for the heroic devotion to duty of Canadian and other seamen of the allied nations. Merchant seamen virtually form the fourth arm of the fighting services.

There are statements to the same effect by several other ministers. In the proceedings of the veterans affairs committee of 1946 hon. members will find at page 41 this statement in a summary of evidence that had been taken by departmental officials in the recess between the two sessions. Mr. Randles, who was head of merchant shipping in Canada for a portion of the war—

Mr. CHEVRIER: Director of merchant seamen.

Mr. GREEN: Director of merchant shipping.

Mr. CHEVRIER: Merchant seamen.

Mr. GREEN: Mr. Randles stated that the percentage of casualties in the merchant marine was greater than in any of the other services, and I think that statement is correct.

The hon. member for Royal and myself suggest that this position be settled today by including the merchant navy as the fourth arm of the services. If the house sees fit to vote down that amendment, on the other hand, it means that those who vote against the amendment will be saying that the merchant navy was not actually the fourth arm of the services and, I think, they will be doing a great injustice to those brave men.

We found during the committee sittings of 1946 that the merchant seamen were falling

between two departments. They were, in the first place, the charge of the Department of Transport. Then, if they were to get adequate pensions and other benefits that were available for ex-service men, they had to get them from the Department of Veterans Affairs. I felt throughout the sittings that we were failing to give them proper consideration largely because they fell between the two departments. I suggest, therefore, that we make it absolutely clear that the committee is to see that they get justice in 1948.

There was also some objection by the government to including merchant seamen in the benefits, because we were told it would be hard to define just who should be considered merchant seamen, who should be entitled to get the benefits. I would point out that there is no longer any need to worry about that score, because we have here Bill G, passed by the senate this year, being an amendment to the Veterans Insurance Act, and in that bill we find a definition of merchant seamen which could be used in the other veterans legislation. That definition is:

(d) with a merchant seaman who received or was eligible to receive a bonus pursuant to the merchant seaman special bonus order, at any time within three years after the 31st day of August, 1946.

I do not think anyone can question that there has been and is today great unfairness to these men in the failure to give them consideration. I would point out to the minister that a merchant seaman cannot get a pension for a disability suffered or for a disease incurred unless that disability or that disease can be traced directly to enemy action. In other words, if he was disabled while at sea through the rolling of his ship, then he could get no compensation whatever; or if he contracted a tropical disease while in the tropics, or a disease in the orient, he could get no compensation. And, mind you, we have many such cases in Vancouver, because Vancouver is a great seaport. We have a great many men who served in the merchant navy. It is almost necessary for such a man to have been hit by enemy fire in order to qualify for the pension, and that certainly is a most unfair situation.

Then he cannot take training, he cannot get vocational training unless he trains for the sea. We had many thousands of men at sea during the war. In peacetime we have a comparatively small number. There is no chance for the great majority to go to sea again, and yet they cannot get vocational training unless they take it in connection with a seafaring life.

They cannot get educational benefits. The merchant seaman who may have been torpedoed two or three times sits at the same desk in university with the man who did not serve outside Canada. Yet the merchant seaman gets no help and the other lad does. I do not think anybody can suggest that is a fair procedure. Merchant seamen cannot take up a holding under the Veterans Land Act unless they happen to be pensioners, and there are only about thirty-two or thirty-three merchant seamen who are pensioners. The Minister of Veterans Affairs (Mr. Gregg) can correct me on the figure, but I believe it is under fifty for the whole war period. They cannot qualify for a business or professional loan, and they do not get any preference in the civil service. I suggest that this house face the fact that the merchant seaman is getting a raw deal in Canada today; and that the first step to remedy that situation is by accepting this amendment directing this committee to see that fair treatment is meted out to him.

That is the first subject I place before the house today. The second is this. I cannot say too emphatically, that the veterans affairs committee of 1948 must be allowed to make its own decisions and must not become a creature of the government. That happened in 1946, and it greatly detracted from the reputation established by veterans affairs committees throughout the years.

Mr. TUCKER: I object, Mr. Speaker.

Mr. GREEN: Oh, now, now.

Mr. TUCKER: I suggest that the hon. member, in saying that members of the committee became creatures of the government, is not doing justice by that committee or the members thereof. He has no right whatever to suggest that the members of that committee, individually or collectively, became creatures of the government. I object to that statement, and I ask that he withdraw it.

Mr. GREEN: I am not surprised, Mr. Speaker, at the hon. member for Rosthern blowing a fuse over that statement.

Mr. TUCKER: I am not surprised in any way at the hon. member.

Mr. GREEN: I did not say that the members became creatures of the government. I said that the committee became a creature of the government, and I repeat that statement.

Mr. TUCKER: That is the same thing.

Mr. GREEN: I shall explain just how that happened. The committee were considering amendments to the Pension Act, and certain

amendments were accepted unanimously by that committee. One of them was an amendment having to do with the matter of presumption with regard to pre-enlistment condition. I intend to deal with that further a little later on. Another amendment had to do with the deadline. In the Pension Act there is a deadline which provides that if a veteran of the first war marries after May 1, 1944, the wife cannot qualify for an allowance, and any children by that wife cannot qualify for an allowance. This special committee in 1946 brought in and adopted unanimously recommendations to deal with both of these situations. I have before me here a copy of the proceedings of that committee, if the hon. member for Rosthern has forgotten. But he was chairman of the committee, and I am quite sure he has not forgotten, because we had a considerable row about it at the time. After those recommendations had been accepted by the committee, government members were sent in to a meeting held three or four days later; we had come in government members who had taken no part, or very little, in the proceedings of the committee up to that time. There were several ministers there. Perhaps the Minister of Labour (Mr. Mitchell) was one of the reinforcements; parliamentary assistants were also brought in. A motion was moved wiping out those recommendations and substituting recommendations which the government wanted. That is why I say the committee was made a creature of the government, and I say that must not happen again.

Mr. TUCKER: Mr. Speaker—

Mr. GREEN: That was done, of course, so that the government would not have to reject in the house the recommendations made by the veterans affairs committee. But it was most unfair to the committee, and I am going to tell the house—

Mr. TUCKER: The hon. member, Mr. Speaker—

Mr. GREEN: I have the floor.

Mr. TUCKER: On a point of order—

Mr. GREEN: The hon. member for Rosthern may make his own speech.

Mr. TUCKER: I am not trying to make a speech at all. The hon. member for Vancouver South made a statement that the committee was reduced to the status of a creature of the government. I suggest that this was an unparliamentary statement. It was unfair and unjust to the committee and to the members of it. The excuse that the hon. member has made for making that statement does not justify it at all, because all the members of the committee attended and came to the final decision on the matter. That does not justify him in saying that the committee was a creature of the government. I suggest that it is not parliamentary.

Mr. GREEN: The hon. member for Rosthern is going just a little too far. He is saying when all the members came and made a final decision, it was different. It was not a matter of making a final decision. The decision had been made before. Then the government members came in later and reversed it. That is what happened. I have in my hand—

Mr. TUCKER: It was the decision that was finally given to this house. That is the final decision and the hon. member cannot get away from that.

Mr. GREEN: The hon. member for Rosthern just cannot take it. He was like this in the committee. One day we had him rushing out of the chair like a bull rushing out of a china shop.

Mr. TUCKER: I thank the hon. member for his remarks. But I still say, Mr. Speaker, that it is a reflection on the committee which was unfair and unjust.

Mr. GREEN: There is a second fuse blown, Mr. Speaker. I shall just read—

Mr. TUCKER: I suggest that the hon. member who suggested that I blew a fuse has made an unparliamentary remark. I have not blown any fuse at all. The hon. member apparently thinks he is smart and clever in making that statement.

Some hon. MEMBERS: Order.

Mr. TUCKER: I say the hon. member has not any more right to say that than I have to say that he is making a foolish and silly statement.

The ACTING SPEAKER (Mr. Golding): Order. I do not see that there is any point of order raised. I do not think it is out of order to say that the committee was a creature of the government, as was said by the hon. member for Vancouver South. I do not know that there is anything unparliamentary in that.

Mr. TUCKER: Very well.

Mr. GREEN: To sum up, Mr. Speaker, and to support my statement, I shall quote from the committee proceedings of June 7, 1946, at page 852. I may say that this is a statement

by the hon. member for Kenora-Rainy River (Mr. Benidickson) who, as you know, is a member of the government.

Mr. GIBSON (Hamilton West): Not a member of the government.

Mr. GREEN: At least, a member of the Liberal party. This is what he says:

This committee made certain recommendations, and I do not think that we can reverse those except by unanimous consent. By doing what you are doing now, I think you are reversing what this committee decided on.

I see no reason at all why this committee has to reach a unanimous viewpoint on every thing that is in this bill or why the government has to have a bill that is unanimously endorsed. We find, after every attempt to compromise, that we cannot reach something that is endorsed by everybody; and that simply means that on one or two minor things there is going to be some controversy in the house, when the government assumes the responsibility of bringing the bill down. I think that is their responsibility, and I do not see why they do not take it.

Then farther down on the page he says:

But I am going to vote against it—

The amendment to which I was objecting.

—because I do not think this committee can be forced by muscular strength to reverse something that they submitted and were prepared to vote on previously.

On the next page he said:

To me it is not a question of a legal mind at all. It is a question simply of—what will I say—a rough roller against people who are opposed to the views of the minister. I am going to support the minister in the house, but I am not going to support the methods in this committee.

The hon. member for Rosthern subsequently raised a row about that statement, and the hon. member for Kenora-Rainy River withdrew it; but I have read from the record, and I do hope there will not be any back-tracking this time. You see, Mr. Speaker, those two points on which the government forced a change in the recommendations of the committee are still vital points. They are still unsettled, and they are still two of the most important points to be dealt with in connection with the veterans.

One has to do with the question of the pre-enlistment condition. Thousands of young Canadians have been refused pensions on the ground that they suffer from a pre-enlistment condition. Those young men were enlisted as fit. They were good enough to get into the army, the navy or the air force. A great many of them were good enough physically to be taken overseas. Now they are told by the commission that they cannot qualify for a disability pension because they are suffering from a pre-enlistment condition. We got the figures from the chairman of the pension commission in 1946. Then in 1947, when the estimates of the department were first up for consideration, I asked the then minister to bring his figures up to date, and he was kind enough to get them for me during the recess. I have them here, up to June 30, 1947. These are the figures of the men who were taken into the forces as fit, who were discharged as unfit, yet who are refused any pension whatever, either for full disability or on an aggravation basis, on the ground that they were suffering from a pre-enlistment condition. Those who served in a theatre of actual war outside Canada numbered 13,321. Those with service wholly rendered in Canada numbered 72,340, or a total of 85,661.

You cannot tell me, Mr. Speaker, and you cannot tell any Canadian that this is a proper situation; that over 85,000 young Canadians should have been taken into the forces as fit and discharged as unfit, yet held not qualified for any pension whatever because they had pre-enlistment conditions. That is a situation which must be met. In the 1946 committee we tried to meet it by moving that this presumption be written into the act:

There shall be a presumption that an applicant's condition as recorded on his acceptance as a member of the forces was in fact his condition at that time and that any subsequent deterioration during service was due to such service.

The idea was to put the onus on the state of showing that the deterioration in condition was not caused at all by service. I do not think the minister objected particularly, but the pension commission did not like it, and the matter was dealt with as I outlined a few moments ago. The amendment may not be the proper way to meet the situation, but the figures speak for themselves. There is no reason why 85,000 Canadians should have to go through the rest of their lives disabled, after having been good enough physically to serve in the forces, without being able to get any compensation whatever for that disability.

The other point had to do with the deadline; and to mention it proves my case. There is no reason why a veteran of the first war who married after May 1, 1944, should not receive an allowance for his wife and for any children by that wife. Those are two matters which must be straightened out by the committee this year.

My third point is this. I hope the powers of the committee will be deemed wide enough to permit it to bring in some recommendation for better treatment of the children of the men who died. Personally I believe the children of a veteran who died should be given

the advantage of vocational and university training at the expense of the state, just as their fathers would have had those benefits had they returned. At the present time the child of a veteran who was killed will not get that advantage, and as a result will be at a great disadvantage in life as compared with the child of the civilian or, for that matter, the child of the veteran who came back. So I suggest that the committee have power to recommend legislation to deal with this situation.

Finally, Mr. Speaker, today the minister said he would like the amendments to the Pension Act rushed through the house, put through all stages. He did not make it clear whether or not he intended to refer that bill to the committee, but I suggest that going over these amendments would be one of the most important jobs the committee could do this session; that it rather makes a farce of having a committee if legislation of this kind is to be rushed through the house without first being referred to the committee for consideration. If the minister is able to do that with the Pension Act he will be able to do the same thing with the amendments to the War Veterans Allowance Act; and when these two measures are out of the way the committee will be able to deal only with what is left over. That is not good enough.

The minister has not lived up to the statement he made on February 16 in regard to war veterans allowances. At page 1228 of *Hansard* he said:

> The amendments to the War Veterans Allowance Act are still under study, and the proposals will be completed before the end of the present week.

That was nearly three weeks ago, but since that time there has been no further statement. The only word we have had with respect to any improvement in the war veterans allowance legislation was the statement made by the Prime Minister on December 19; and what was promised then is entirely inadequate. I have no intention of repeating today what I said on February 19, but I do not think there is a member of this house, of any party, who believes that the proposed amendments to the War Veterans Allowance Act are anything like adequate.

I suggest to the minister that the bill amending the Pension Act and the bill amending the War Veterans Allowance Act should go to the committee, not only in fairness to the committee but because then an opportunity will be afforded the Canadian Legion, the Army, Navy and Air Force, the Amputations Association, the Canadian corps, the Sir Arthur Pearson club and the other soldier organizations to make their representations. The young lads from the universities, too, will have a chance to state their case. If these bills are not referred to that committee no such representations can be made, or if they are made they will have no effect. So I hope no attempt will be made to short-circuit the committee by putting this legislation through the house without having it referred to the committee. If that is done the importance of the work of the committee will be greatly reduced, and I think a great injustice will have been done to the young men and women who served Canada so well during the years of the last war, and also those older men and women who served during the first great war.

Mr. W. A. TUCKER (Rosthern): Mr. Speaker, I do not intend to delay the house very long, but I should like to make a few observations because I feel it is important to get this resolution through. I had hoped also that by consent we might advance the pension legislation to the point where it could have been sent to the committee today so that it could be considered there at once. As hon. members know, there seems to be a great congestion of business in the house and although every effort has been made to bring this forward, other matters of great importance including the debate on the address in reply to the speech from the throne have held up the setting up of this committee.

As everyone knows, it was hoped that the increase and adjustment cheques for the past six months would go out at the end of this month. If the pension bill is not put through the house very shortly the preliminary work which has been done to get these pension increases out and the adjustment cheques ready will simply have been of no avail and the cheques will be held up further.

Many things have been said today which, it seems to me, could have been said before the committee. They could have been said after this pension legislation had been put through so that the cheques could be sent out. I urge that this resolution be passed and that consideration be given to putting the pension legislation through far enough so that it can be considered by the committee and reported back to the house.

Something has been suggested as to sidetracking or short-circuiting by not referring the pension legislation to the committee. The only reason why that was ever suggested was that it was felt that the government had already agreed how far it was ready to go in regard to the payment of certain increases in

pensions, and it was thought perhaps it would be a good thing to get out these payments as quickly as possible. The adjustments alone will amount to almost one month's pension. It was thought that, with the winter being nearly over, it would be a good thing to get out these payments before it was over.

It was thought that there might be pretty well general agreement to let these increases go through without prejudice to the committee, and then the house itself being able to consider anything further it felt should be done in the proper way. After all, if this bill is reported back to the house and put through, the committee will still have the right to make submissions in regard to increased pensions, it will still have the right to make recommendations. I for one cannot understand this attitude of holding up payments that our veterans really need while this matter is debated and debated and debated.

Mr. GREEN: You are the people who have been holding them up.

Mr. TUCKER: No, we have not been holding them up. Everybody knows that that statement is untrue and incorrect. Everyone knows that for every person on this side of the house who has spoken—I have not figured it up, but I am satisfied the record would prove it—at least two or three on the opposition side have spoken. If there has been any delay in getting through the business of this house the responsibility certainly lies on the opposition and not on the government side of the house.

Mr. BROOKS: Did we not recommend at the beginning of the session three months ago that this committee be set up in order that the matter could be considered?

Mr. TUCKER: Hon. members on this side of the house have been making representations to the government that this committee be set up, but two or three things cannot be done at once in this house; if things are to be debated and debated and repeated and repeated, there is bound to be delay in putting through the work. There are members on this side of the house who have been blamed for not speaking on many things, but they were anxious to have some of these other things go through. The opposition have repeatedly debated matters and they know very well that only one thing at a time can be taken up. Everyone knows that they have asked that the debate on the speech from the throne should be continued until finished. That debate was gone on with, and next they get up and say, "Why have we not gone on with this? Why have we not gone on with that?" Whenever anything is brought up, just as today, instead of accepting it and allowing it to go through so that it can be dealt with we have had speeches such as that of the hon. member for Royal (Mr. Brooks) who has brought up some comparatively minor question concerning the maritimes, and we have had a mean attack on the last committee by the hon. member for Vancouver South (Mr. Green), which I never thought—

Mr. GREEN: Mr. Speaker—

Mr. TUCKER: It was a mean attack; it was unwarranted by the hon. member for Vancouver South—

Mr. GREEN: Mr. Speaker, I do not give a rap what the hon. member says, but I think the words "mean attack" should be withdrawn.

Mr. TUCKER: I meant it. If the hon. member does not withdraw his suggestion that our fine veterans committee was made a creature of the government I do not think I should be asked to withdraw the statement that that was a mean remark.

Mr. GREEN: That is not—

Mr. DEPUTY SPEAKER: I think at the time the hon. member for Vancouver South made the remark that the committee was a creature of the government the Acting Speaker (Mr. Golding) ruled that it was not out of order. In view of that the hon. member for Rosthern might withdraw his remark.

Mr. TUCKER: I did not hear your ruling.

Mr. CASSELMAN: He said to take it back.

Mr. TUCKER: I have no intention of taking it back.

Mr. DEPUTY SPEAKER: The Acting Speaker (Mr. Golding) ruled that the hon. member for Vancouver South was not out of order when he said that the committee was a creature of the government. I understood that the hon. member for Rosthern stated that he would not insist on his remarks remaining on *Hansard*.

Mr. TUCKER: I said that that statement impugned the standing of a committee of this house, saying that the committee had become a creature of the government. I say that I do not intend to withdraw it unless I am told absolutely that it is unparliamentary. I think it was justified by the circumstances and I have no intention of withdrawing it unless you rule absolutely that I must.

Mr. GREEN: I am asking your ruling, Mr. Speaker, on that point. I submit that the hon. member has no right to make a statement of that type concerning another member.

Mr. MUTCH: On a point of order, before you give your ruling, Mr. Speaker, I listened to both of the remarks. As I understood you a moment ago, you indicated in your ruling that the hon. member for Rosthern should withdraw because the Acting Speaker (Mr. Golding) had not ruled the other remark out of order. That is my understanding, but those two things are not related and they bear no relationship to each other.

Mr. DEPUTY SPEAKER: The hon. member for Rosthern stated that he would not withdraw his remark unless the hon. member for Vancouver South withdrew his remark which the hon. member for Rosthern said was out of order. The hon. member for Rosthern made that statement. I am remarking that the Acting Speaker (Mr. Golding) stated that remark with respect to the committee being a creature of the government was not out of order, and I am suggesting that, in view of that and in view of his statement, the hon. member for Rosthern should withdraw his remark regarding meanness.

Mr. PROBE: Bow humbly now.

Some hon. MEMBERS: Oh, oh.

Mr. TUCKER: I do not know what is funny about the remark of the hon. member, but I do say that if the hon. member is of a nature that he will say that his fellow members are creatures of the government and then, when I say that is a mean remark, will object to withdrawing his remark and insist on my withdrawing my remark; if you rule that he is allowed to talk like that about his fellow members of parliament and I cannot say that is a mean thing for him to say, if you rule that way I will bow to your ruling.

Mr. GREEN: I have already had my ruling; I have won my case. Mr. Speaker ruled—

An hon. MEMBER: Sit down.

Mr. GREEN: I will not sit down for you or anybody else. The Speaker ruled that I was in order, and I have asked for the withdrawal of the remark made by the hon. member for Rosthern (Mr. Tucker), which was not parliamentary.

Mr. TUCKER: Mr. Speaker, if the hon. member feels, as he says, that he has won his case; if he has managed to get away with something—

Mr. GREEN: That is another remark that is out of order.

Mr. DEPUTY SPEAKER: Reference to citation 298, Beauchesne's 2nd edition, shows that alleging that a member's statements were insulting, malignant, offensive, and so forth, is unparliamentary, and I think the word used would come within that rule.

Mr. TUCKER: I withdraw, Mr. Speaker, but I do say this—

Some hon. MEMBERS: Order.

Mr. TUCKER: I have a right to continue my speech. The hon. member for Mackenzie (Mr. Nicholson) apparently cannot bear to have me speak. I was going to say that when the hon. member said that his fellow members were creatures of the government, I repudiate that suggestion entirely. I say that it was insulting, and if members on the opposition side of the house are not willing to have that said of them he will have to answer to them. I do not think he did himself justice in speaking in that way of fellow veterans who sat on the committee and who, to his own knowledge, on more than one occasion persuaded the government to change the legislation in accordance with the wishes of the committee. Creatures do not do that, and he knows it, and in making that statement he does justice neither to himself nor to his fellow member veterans in this parliament.

Mr. GREEN: It is funny to see non-veterans applauding.

Mr. TUCKER: I do not wish to pursue this matter further, Mr. Speaker, because it will not help to do the very thing I want to see done, and that is to get this resolution through and the veterans legislation before the house. The hon. member for Royal (Mr. Brooks) said that there was no suggestion in the resolution of the right of the committee to submit draft bills. Of course the committee will have the right to make representations of that kind if it so desires. The mere fact that it is not mentioned in the terms of reference does not prevent the committee from making recommendations in that form if it so desires. The draft bills which we recommended from the last parliamentary committee were merely recommendations cast in the form of bills for the convenience of the house. There is nothing to prevent that from being done if the committee desires to do it.

On the question of the amendment moved by the hon. member for Royal, it certainly was the intention that merchant marine matters should be looked into if that was the desire of the committee, and I think that is the intention. But if the hon. member by his amendment means that we should, by resolution of this parliament, make the ex-members of the merchant navy members of His Majesty's armed forces, he is trying to do by resolution what I think should be done in

some other way. I do not know just what the hon. member intended to do.

Mr. BROOKS: The intention is to recognize the merchant navy as being on the same footing as the armed forces so far as benefits are concerned.

Mr. TUCKER: I think the hon. member should have been satisfied with the assurance that their problems would be looked into by the committee, and that certainly was included in the terms of reference. But if the suggestion be made that by adopting the amendment we are taking the attitude that in every way, shape and form the members of the merchant navy shall be regarded as members of His Majesty's armed forces, that will lead to some discussion, and I do not know why that should be provoked at this particular stage. Of course we can consider the problems of the merchant navy; and if that is all the amendment means, that we are to consider the problems of the merchant navy and not make any parliamentary declaration in the matter, I do not see any objection to accepting the amendment; but it would be on the understanding that we are not making any declaration that a member of the merchant navy has become, by resolution of this parliament, a full-fledged ex-member of His Majesty's armed forces. Such a declaration would require consideration and considerable discussion. It is a matter that should be decided at some other time than this. But if the hon. member does not feel that his amendment goes that far, I do not see anything wrong with it. It would enable us to study their problems, as we shall do anyway.

Mr. BROOKS: I do not wish to debate the point with the hon. member. My hon. friend the member for Vancouver South (Mr. Green) has eloquently pointed out that these men should be placed on the same footing as the armed forces, and this would be just a belated recognition of the principle that has been laid down by cabinet ministers over the last number of years. Having regard to the services of these men. I think the amendment should be put through.

Mr. TUCKER: It was the place where the amendment was to be inserted that made me wonder. The hon. member's motion was that the resolution be amended by inserting after the word "forces" the words "including the merchant navy". If the amendment had simply said "members of His Majesty's armed forces, members of the merchant navy and other persons", it would have been clear that he simply wanted their problems considered. But to say "members of His Majesty's armed forces including the merchant navy", would create the impression that parliament recognized the merchant navy as part of His Majesty's armed forces. No one questions for a moment the wonderful services and the great contribution of the merchant navy, but I wonder if this is the right time to declare that in the opinion of this house the members of the merchant navy are really members of His Majesty's armed forces.

Mr. GREEN: Does the hon. member himself not think the members of the merchant navy for purposes of pension and other benefits should be treated as though they had been members of the fourth service?

Mr. TUCKER: That is not what I was getting at. I do not believe that I as a member of the veterans affairs committee should state at this time what I think should be done about something that is going to come before that committee. All we are seeking to do now is to set up the committee and give it the right to consider certain matters. I do not think the hon. member intended by his amendment that we should make a declaration that the merchant navy are in effect ex-members of His Majesty's armed forces. I think he just meant that we should have a right to consider their problems, and if that is the only intention he had I do not see any harm in it because it would emphasize that we want to consider that question. If the hon. member says that was his intention, I do not see any objection.

Mr. BROOKS: My intention was to place the members of the merchant service on the same footing as members of the armed forces for pension and other benefits, and if the hon. member for Rosthern is asking me, I do not wish to withdraw the amendment. I would like it to be voted on and to let the house decide.

Mr. TUCKER: I just wanted the hon. member's intention clarified because, as the amendment was worded and from where it was proposed to be inserted, it looked to me that he wished to go farther than simply to give the committee the right to consider the problems of the merchant navy. As far as I am concerned, it was always the intention that the problems of the merchant navy should be considered.

Mr. GREEN: Then vote for the amendment.

Mr. ST. LAURENT: It goes beyond that.

Mr. TUCKER: If that was all it meant there would be no objection to it. I have been asking the hon. member if that is all

it means and he seems to be reluctant to say that that is all it means. However, he may have a chance to consider what I said. I may not have made myself clear. I understand that it is to set up a committee to consider the problems of veterans and various people engaged in pursuits closely related to war. Let us not drag into it any declaration other than that the committee should be set up and be given the right to have a full and broad investigation into all these problems. I will not say any more about that. I ask the hon. member to consider that statement, and perhaps he may be able to clear it up and save time, because we do want to get this through and get the legislation to the point where we can consider it.

The hon. member for Royal made some reference to the treatment we are giving to our students as compared with those in the United States. While I hate to take the time to do so, I feel I should correct the impression that may be left that the people in the United States treat their student veterans in regard to training better than we do. He mentioned that they could get training for a year plus their period of service. But I would point out to him that in the United States that training is limited to four years; whereas in Canada it may go on for six and seven years, if the student is a good one and shows that he is benefiting by the training.

In regard to the amount paid, in the United States a married student with dependents gets $90 a month. Under the rates which are now going into force—

Mr. BROOKS: May I ask the hon. member a question? Does that include the recent increases which have been made in the allowances to United States veterans?

Mr. TUCKER: I understand that there is no provision whatever for dependents in the United States other than that the single man gets $65—

Mr. BROOKS: I would like to correct the hon. member there.

Mr. TUCKER: If the hon. member will permit me to complete my remarks he will be able to follow me. I did not interrupt him.

Mr. GREEN: You are giving the wrong facts. We have the facts here.

Mr. TUCKER: Of course I realize that my hon. friends over there seem to think they are the only ones who know anything about this. I did not interrupt the hon. member when I thought he was giving information that was incorrect. The hon. member for Vancouver South made a statement which, on reflection, he will find is incorrect. I did not interrupt him.

Mr. GREEN: The hon. member did nothing but interrupt.

Mr. TUCKER: For example, he said that where the marriage took place after June 1, 1944, the dateline in respect of children had not been lifted. If he will look at the legislation he will find that the dateline in respect of children was lifted, but I did not interrupt the hon. member. After all, I did try to show a little bit of courtesy to a man who has served as a member of parliament for thirteen years and with whom I have served on three different veterans affairs committees. I would never think of referring to him in the terms in which he referred to me.

Some hon. MEMBERS: Oh, oh.

Mr. TUCKER: I realize he may think he is a finer man than I am, but everyone is entitled to his opinion. May I go on? The suggestion is that we do not treat our student veterans as well as they do in the United States. I am referring to considerations which the hon. member did not mention. According to the last information which I have there was actually $25 more given to the veteran student with dependents in the United States than if he had no dependents. If he had a wife or children, it did not matter how many, he got $90 instead of $65.

Mr. BROOKS: Mr. Speaker, I have the facts right here. I would ask the hon. member to allow me to correct him as far as that is concerned.

Mr. HOWE: Sit down.

Mr. DEPUTY SPEAKER: Order. The hon. member for Rosthern has asked not to be interrupted. Even if hon. members do not agree with what the hon. member is saying they should not interrupt him.

Mr. BROOKS: On a question of privilege, he said that the statement I made was incorrect. On a question of privilege, I have the right to make a statement.

Mr. DEPUTY SPEAKER: Order. That is not a question of privilege. There is a dispute between two hon. members regarding facts. The hon. member cannot raise a question of privilege under these circumstances. The hon. member for Rosthern has the floor.

Mr. TUCKER: I do not want to prolong this thing; I am pointing out to the hon. member that there is no extra provision in the United States for children. A man has a wife—

Mr. BROOKS: I say the hon. member is absolutely wrong.

Mr. DEPUTY SPEAKER: The hon. member for Rosthern having requested not to be interrupted, I must insist that he must not be interrupted.

Mr. TUCKER: I say, Mr. Speaker, according to the last information which I have; it is possible that the hon. member may feel he has more recent information. I have no objection to his raising that, but I must say this—

Mr. GREEN: That is what he is trying to do.

Mr. TUCKER: According to my last information, in the United States a married student does not get any more if he has children or not. He gets paid in respect of having a wife, but there is no addition in respect of children. They do not increase his allowance. As I say, that is the last information I have. The hon. member may have a newspaper clipping which indicates something different. That may be correct. Improved rates were suggested, but I have not been informed that they have gone through Congress. I am giving the last information I have, and that is that a married man gets the same amount whether he has children or not. Under our set-up we pay in respect of the children. In respect of his wife a man gets $30 extra; he gets $18 extra in respect of his first child; in respect of his second child he gets $14 extra, and in respect of his third child gets $12 extra. In other words, a man with a wife and three children gets $134 in Canada, plus family allowances. I would venture to say that is more than he gets in the United States. That is what I wish to bring out, and it seems to me that that was a fair remark to make.

I should now like to refer to the remarks of the hon. member for Weyburn (Mr. McKay). He suggested that settlement under the Veterans Land Act has not been going ahead fast enough. At times I have felt much the same way, but I have had many veterans organizations in Saskatchewan tell me that the settlement of soldier settlers after the first war went ahead too fast; that they went ahead when lands were inflated in value, when stock and equipment were expensive, and in many cases it could have been better for veterans to have held back and waited until three or four years after the war in order to get settled. That was one of the reasons why we brought in the amendment, so that a man could get a loan up to $2,400 if he had a lease of the land, in order that he might get started on the farm without perhaps undertaking to buy land at inflated immediate post-war values. I know that many veterans organizations have approved our attitude of not rushing the soldiers on to the land too quickly after the war and, of course, giving them the right to go on the land later when costs of land and equipment and so on have gone down. In many cases I think the veterans are quite satisfied to wait until they can get land at better values and are perhaps able to buy equipment and stock at lower prices than those at which they can buy them at the present time.

Mr. PROBE: May I ask the parliamentary assistant a question? Is the age barrier to be reconsidered in the event that this settlement drags on? Suppose land values come down at some future time; what is to be done with the present age barrier?

Mr. TUCKER: I think the committee and the government will look into that and will be reasonable. They realize it is one of the policies of the government not to rush people on the land faster than it is wise for them to go. If it takes three or four years it will be a matter of recommendation by our committee that that should be taken into consideration in regard to future policy. I think myself it is a wise policy not to try to get everybody settled in the first two years after the war. I agree that our policy should be one of trying to get veterans on the land which they can hope to own and have as their own home and be able to pass on to their children. We should try to get them on land under conditions ensuring that as quickly as we can in their own best interest. That is a matter, of course, which will be considered by the committee, as to whether the settlement has gone on as fast as it should have.

The hon. member for Acadia mentioned the question of student loans. This is a matter in which I have been personally very much interested, because I have thought that when we were providing money to make these loans so that worthy students should not have to discontinue their courses, the money should be available uniformly to students throughout the country. In other words, every university loan scheme should pretty well be administered more or less on a uniform basis. Of course the conference of university presidents discusses these matters. The question is considered by them; the whole situation is brought before them, and certainly it is a matter which the committee should look into, because in my opinion there should be provision for students to be able to borrow money under a scheme we have set up so that they should not have to discontinue their courses.

It is a splendid idea and we should make sure that it is operating to the best possible advantage.

One matter that was mentioned by the hon. member for Vancouver South was the position of men of the merchant navy. As I understood him, he said they could get a pension only for anything that was due to enemy action. Once more, for the sake of the record, I would point out that there is in the act a definition of what constitutes enemy action or counter-action. Let me quote section 5(e) of the Civilian War Pensions and Allowances Act:

(e) "enemy action, or counter-action against the enemy" includes extraordinary marine hazards occasioned by the war and encountered by a Canadian ship or by a certified non-Canadian ship when employed on a voyage that in the opinion of the commission was essential to the prosecution of the war on behalf of His Majesty or His Majesty's allies.

I read that to indicate that enemy action or counter-action has a wider significance than it might appear to have, because it includes extraordinary marine hazards occasioned by war.

Mr. GREEN: Can the hon. member tell us how many merchant seamen are getting pensions.

Mr. TUCKER: I do not want to delay the house by looking for it, but I know there are cases where pensions have been awarded when there was no enemy action at all but there was an extraordinary marine hazard, when for example, there was not sufficient light, owing to the fact that war was on.

Mr. GREEN: Is the figure over fifty?

Mr. TUCKER: It would be a guess. I looked at it a couple of days ago but I cannot remember it. I am sorry that I cannot give the figure but it can be procured.

I think that is all I wish to say except to state, in answer to the question just asked by the hon. member for Vancouver South, that the total amount being paid to disability pensioners under the Civilian War Pensions and Allowances Act is $38,697 for disability pensioners, and for dependents $235,467, or a total of $274,164.

Mr. GREEN: That is not merchant seamen; that is for everyone under the Civilian War Pensions and Allowances Act.

Mr. TUCKER: As regards Canadian merchant seamen, the number of disability pensioners is twenty-three, and the number of dependents, 333; salt water fishermen, disability pensioners, one, and dependents twenty-one; Canadian merchant seamen, supplementary number, fifteen, and dependents, fifty-five. I could go on and give further figures, but that will give an idea of the number that have been granted.

May I say a word in conclusion with regard to my experience on the committee during the two years it sat. I must say that my recollection of it is not that of the hon. member for Vancouver South. I had thought that the members of the committee got along very well, that members of all parties got along well, and we did an enormous amount of work. I thought that this house and the country felt that we had done a reasonably good job in the time at our disposal. I hope that the members of this committee will get along with the same harmony and be able to accomplish at least a comparable measure of work which will be satisfactory to the veterans, as did the committees in the past. As chairman of the previous committees, I want to thank all hon. members who took part in our deliberations for their kindness towards myself, their willingness to work hard, and the work they accomplished.

I should like to say a word in appreciation of the minister whom I had the privilege to serve under for two years in serving the veterans of the country. I refer to the Right Hon. Ian Mackenzie, now Senator Mackenzie, and I am glad to say in his behalf that in my opinion no one in this parliament worked with a more single-hearted desire to serve the veterans of Canada than did the Right Hon. Mr. Mackenzie. It was a pleasure to work with him, and I believe the veterans of the country will always be grateful for the way in which he tried to serve them, to improve their lot and to help them in every respect. I repeat, it was a great privilege to serve with him.

In the present Minister of Veterans Affairs, (Mr. Gregg) I feel that we have a man who understands the problems of veterans, whose heart is in the right place and who is doing and will do the best he can for the veterans. I deem it a privilege to work with him.

Mr. CLARENCE GILLIS (Cape Breton South): For a man who does not want to occupy much time or hold up the house, a man who is anxious to get his legislation through, the parliamentary assistant to the Minister of Veterans Affairs did not do a bad job this afternoon.

Mr. ROSS (Souris): He took his forty minutes anyway.

Mr. GILLIS: That is his privilege. To my mind, the debate this afternoon proves one thing conclusively to me. I read a long time

ago that some great man had said that you can get anything you want in this world if you do not care who gets the credit for it. I think the argument between the member for Vancouver South and the parliamentary assistant to the minister clearly indicated that.

I have served on two committees of this house on veterans affairs, and in my opinion the hon. member for Vancouver South (Mr. Green) this afternoon made as good a speech as I have ever heard him make in this house. I thought it was factual, coming from one who has some knowledge of what he was talking about, and I considered it reasoned and fair. The fact of the matter is, he gave me the impression of being a very good lawyer judging from the way in which he assembled his facts, analysed them and put them before the house, and I think that, to any fair-minded jury, he would have won his case.

As regards this committee, I want to say that I, too, am sorry. I join with others who have stated that the Right Hon. Mr. Mackenzie who is now in the other place—and I hope he will be happy there—is missing. I know there is something missing on the other side of the house when I sit across here and see that his seat is occupied by someone else. I say, too, that I had a great deal to do with veterans legislation before ever I came to this house. I had the privilege of corresponding with the right hon. gentleman and of meeting him, and I always found him to be sympathetic and one who would do what he could within the confines of the legislation. That legislation will never be any broader than the treasury board wants to permit it to be. I know the present Minister of Veterans Affairs (Mr. Gregg), and I want to take this opportunity of saying that I am glad he is here in the post he now occupies. I know he will not go too far wrong in veterans affairs, because he received his early training on the executive council of the Canadian Legion in Nova Scotia. I had the honour of sitting there with him for a short time many years ago, when most of the legislation we are now talking about was in the embryo stage. I know he has watched it grow up from his place in this chamber, in the same way as most of us who are veterans in this house endeavoured to follow it as it developed.

I have no illusions about the committee. I do not believe in kidding myself or anyone else. I have a fairly good idea of what this committee will accomplish. It will accomplish exactly what the treasury board permits it to accomplish. The statement made by the hon. member for Vancouver South, when he says the committee is a creature of the government, is, I think, a fair statement. The committee cannot be anything else. When there is a majority over there on the other side, and the government decides to set up a committee for the purpose of analysing any problem, the majority of that committee will take directions from the treasury board in the matter of spending money. I say that every member—whether he was on the other side of the house or on this side—who sat on the veterans affairs committee or on the pension committee prior to it, was anxious to have things done regardless of party. I think the members took a fairly non-partisan attitude on these matters. But I know there comes a time when it is a matter of deciding on spending more money, and when the Minister of Veterans Affairs and his assistant must go to someone else who holds the purse-strings and say, "Can we get this money?" If the answer is "Yes," there is no difficulty; but if the answer is "No", then the government decide what is to be done, because they are in the majority on that committee; and the best that members can hope for is to try to provoke the thoughts of those who may have access to the treasury board, on matters affecting veterans on the outside with whom they do not come in contact every day.

I shall not repeat anything said by the hon. member for Vancouver South or by the hon. member for Royal (Mr. Brooks). That would be just a waste of time. I agree with the former in his analysis of this merchant marine question. I suggest that the amendment now offered should be adopted. At least it would guarantee that the terms of reference of the committee would be sufficiently broad to have the matter discussed by it. But if something like what is suggested by this amendment is not included, any discussion of the marine service in that committee will be precluded. At least, that is the way I see it. Apparently the hon. member for Rosthern (Mr. Tucker) does not see it in that way. But maybe when he consults the legal branch of some department, he will get another opinion as to what this means and he will say, "I am sorry; I did not think it meant that, but the legal branch tells us now that this is the correct interpretation, so that you cannot discuss the question". I think it is merely broadening the terms of reference to permit discussion to take place in the committee on that question.

There are two or three odds and ends that I should like to bring to the attention of the minister and the hon. member for Rosthern with regard to veterans legislation. During the sitting of the last veterans affairs committee we had a great deal of discussion, and within the last couple of days I have re-read a great many of the recommendations which

were made on this matter of having our veterans legislation in this country reciprocal with veterans legislation in the United States, the United Kingdom, New Zealand and Australia. I think most of the bodies from the outside which represents veterans, and which presented briefs to us, brought in the suggestion that we should make our legislation reciprocal. The situation as it is now is causing hardship. For example, we have in Canada a few veterans who married widows overseas. They came back to Canada with their children, but because those children were not born in Canada they are not entitled to receive our family allowances, despite the fact that similar legislation is in effect in the United Kingdom.

I myself have run into several men who served six years in the British merchant marine. All during the time they served there they paid unemployment insurance to protect them against unemployment. At the end of six years they decided to come back to Canada. These boys land back in Canada; they cannot find a job, so they go with their card marked "paid up" a month or two weeks before leaving Britain, but they are told at the unemployment insurance office, "You are not entitled to unemployment insurance. We will see what we can do about a job". But this social legislation is not reciprocal with Britain, the Unites States or the other countries I mentioned.

These matters may seem to be trivial ones, but they are not to the individual who is affected. Whether only ten, fifteen or twenty men are affected, let us stop for a minute and think that every one of those people is a human being and he feels, just as much as you or I would, the injustice and the hardship that should be avoided. I generally try to place myself in their position. A man comes to me and says, "I did five years' service. A good deal of it was combat service in Italy and western Europe. But just toward the end of the war I went out one night and got into a little difficulty. I was sentenced to some time in detention." That man who was sentenced to detention lost his liberty. He lost his wages during the period he was incarcerated. But in addition to that, when he comes back to Canada he is further prosecuted by losing his gratuity. In addition to that, if he has a job—and I have run into several who were in this position—it lasted only long enough to make 107 or 110 contributions—I am actually giving the number of contributions—where it should have been 180 to the unemployment insurance office in order to qualify him for unemployment insurance. He is told, "You cannot qualify; you have not a benefit year established. But maybe we can get your armed service credits." This is where the soldier comes in. He is told, "If we can get your armed service credits, we can qualify you for unemployment insurance." So application is made for his armed service credits, and a note comes back to the effect, "Sorry; he cannot qualify for the simple reason that he got a misconduct discharge." I wonder how many of us ever stop to think for a minute of the kind of treatment meted out to a young man under those circumstances? In civil life you would not do that to him—take his pay from him, stigmatize him and deprive him of all social legislation. When you stop to think about it in terms of money alone, you will be surprised at the amount a young fellow like that loses. I think this is something which should be reconsidered and revised. I certainly think the armed service credits as applied to the ordinary service personnel in a matter of employment should be applicable in a case similar to the one I have set out here. Why should he lose everything just because he went out and had a few drinks of beer, and got into a little difficulty? I think most of us who were in the army could say, "There, but for the grace of God, go I." I believe that is the way we should look at it.

I am picking out these peculiar cases because, being a peculiar person, they come to me. I should like to bring another matter to the attention of the Minister of Justice (Mr. Ilsley), which also has to do with the veterans. When I hear people talking about a committee, how we are to cure these problems in committee and all that kind of stuff, I think back to some of the things I have been talking about in the house for the last eight years. This is one of them. Away back in 1940 I ran into a case like this. While a veteran of the first war was overseas, his wife went to the United States and divorced him. He had nothing to do with it. He could not help himself; he was in the service. When he came back he found himself divorced. For pension purposes and all other matters of that kind that man cannot marry. If he does he commits bigamy, according to the decisions I have obtained, because we in Canada do not recognize a United States divorce.

I know of two cases of this kind. One man was issued a licence and married again. He was married for over twenty years, but he could never have his wife included for pension purposes. That was the case of a veteran of the first war. I have now another case of this kind from Ontario, and this man is affected in exactly the same way. He went overseas; his wife divorced him; he came back to Canada and found himself free, as he thought. He

went out and obtained a marriage licence. I asked the late Hon. Mr. Lapointe when he was Minister of Justice, "If that man is not legally married in Canada why was he not prosecuted for bigamy?" No answer. "Why was he issued a marriage licence if he would not be entitled to marry?" No answer. "Do you consider it fair to keep a woman in that position for pension purposes, or for the protection of service personnel?" Well, he did not think it was fair; but the war was on; this divorce business was a rather touchy thing, and when we got this war off our hands we would consider that. At that time I was advised that a change would be required in the Canadian divorce law, but I do not think that is so.

I believe most of the things I am talking about here, the mean little things which set up a great deal of irritation, could be cured if the commission had sufficient administrative latitude. I have met quite a few of the people administering pension affairs. I think they are sane, reasonable and fair. If we would only write legislation flexible enough to allow them to make decisions in these borderline cases I believe a great deal of the trouble we are now having would be overcome, because it is in connection with matters of this kind that we are having most of our difficulties.

Another case is that of the young fellow who came back to his job on the railroad for a short time. Then the government said, "We will give you a course," so he took a course for ten months. When he finished there was no work for him. He applied for unemployment insurance. No unemployment insurance; he did not have sufficient contributions; and the ten months he spent taking a course, the cost paid by the government, could not be included for unemployment insurance purposes. That boy has been idle for over a year. He is still writing to me. Personally I think the ten months he spent in taking that course should be counted for unemployment insurance purposes. I do not see a reason in the world why it should not. So when the Minister of Veterans Affairs gets to know some of these things I hope he may be able to iron out some of the difficulties and knock off some of the corners.

I am not going to go beyond my time. I was rather provoked into getting up this afternoon by some of the discussion that took place. However, I would emphasize again this business of the merchant navy. I think a crying injustice has been done to the section of the service that fought the hardest battle of all. I do not think anyone equalled the hardships and misery the boys in the merchant marine went through. There is only one thought I would leave with the hon. member for Vancouver East—

Mr. GREEN: Vancouver South.

Mr. GILLIS: That is right; the other fellow would not want to be tangled up with you. That thought is this. During the year the government of Canada mobilized the army, navy and air force. They said, "We are responsible for your wages and your maintenance; we will see that any disability is taken care of," and so on. These were government-owned institutions, functioning under the direction of the Canadian government. The only section of the service that functioned under the system of free enterprise was the merchant marine. There we had private, separate companies, who received all the profits; but now that the war is over, they do not want to accept any responsibility. Mind you, I am not arguing against the boys in the merchant marine getting everything the people of Canada are prepared to give them through this institution of parliament. I am leaving this thought with the hon. member for Vancouver South, that you must get to the point where you are not only willing to give the government responsibility and authority but prepared to support them in connection with these institutions. A glaring example of the failure of free enterprise in fighting the last war was the treatment given the boys of the merchant marine after the war was over. No grateful company came forward to establish pension rights, hospitalization and all that sort of thing. That can be done only when the people of Canada give this government a mandate to go out and do these things, and to socialize the whole business all along the line. Then, and not until then, shall we eliminate injustice.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. H. W. HERRIDGE (Kootenay West): Mr. Speaker, I for one am pleased to see this resolution come before the house at last, because I am quite certain that the members of this house, the veterans organizations in the country, many veterans and a great number of people in Canada are anxious to see the veterans affairs committee established and dealing with the heavy and important agenda it has before it. I do not intend to delay the house for very long this evening, because I

believe it is in the interests of the veterans to do the greater part of our talking in the committee after it has been established. In that respect the hon. member for Fraser Valley (Mr. Cruickshank) and myself are in complete agreement.

Before making the few remarks I wish to make, there are one or two aspects of this question I should like to deal with. First, I want to express my personal appreciation of the work done by the former minister of veterans affairs since the inception of that department. I am sure we all realize that his heart was in the work and that he gave the best of his talent and ability and used his influence to the fullest extent possible in support of the needs of the veterans of this country and their cause.

While I cannot commend the parliamentary assistant for his industry in the province of Saskatchewan, I think I should commend him for his industry in connection with the Department of Veterans Affairs. We all know that he spends long hours in his position. In his case, being a parliamentary assistant is not a decoration; it is a real job. I should like also to say something with regard to the officials of the department. In my opinion the Department of Veterans Affairs has a somewhat different esprit de corps from that of any other department of government. I must say that I find this evident in the case of the senior officials in Ottawa, the provincial officials and even the junior officials throughout the country. As far as my own constituency is concerned, where there are only two veterans affairs officers, I have found them most anxious to do what they could for veterans and even to go far beyond what is really to be found within the meaning of the word "duty".

We have listened to a number of speeches on this subject, and I agree with a great deal of what has been said by members of all parties and therefore shall not repeat it. Many criticisms have been offered and suggestions made. The hon. member for Comox-Alberni (Mr. Gibson) made a most effective appeal the other day on behalf of the veterans of this country. I think his arguments were very good and his presentation excellent. The same thing applies to a number of other hon. members whose arguments and criticisms I support.

I may say that my stand on the question of veterans affairs is that I support the proposals of the Canadian Legion with regard to disability pensions, widows pensions, care of dependents, war veterans allowances and with regard to merchant seamen. I do that because I believe those proposals represent the minimum that we can grant the veterans and their dependents if we are to give them justice at this time. I do it because I believe we have the capacity to pay this extra cost and because I believe a large majority of the Canadian people at this time, regardless of what political party they are affiliated with, support all these proposals.

I have no hesitation in saying, as previous speakers have said, that the rehabilitation program for our veterans is a credit to the government, a credit to this house and a credit to the Canadian people. But why should we quibble over expending another ten or fifteen million dollars when we have expended something approaching $1,500 million in connection with the rehabilitation of the veterans of this country? As I said before, I am quite sure that the great majority of the Canadian people, regardless of their political affiliations, would support proposals to give the veterans of this country at least those benefits that have been considered necessary by the Canadian Legion. I am sure that no one can accuse the Canadian Legion of making outrageous demands, of being immoderate or of not thinking of the country's interest. All the Legion is suggesting is the minimum which the veterans of this country should receive, if justice is to prevail.

So far as disability pensions, care of dependents, war veterans allowances and veterans legislation in general are concerned, we owe a moral duty to veterans and their dependents to make certain that justice is done to them at this time. I am sure that when the committee sits it will give a great deal of attention to the proposals that have been made by responsible veterans' organizations in this country.

Before concluding I should like to deal with one aspect that has not been dealt with at length, and I shall be quite brief. I refer to the question of increased educational allowances, to single veterans particularly. If, as I said, satisfactory disability pensions, war veterans allowances and satisfactory care of dependents constitute a moral duty, the payment of reasonable educational grants is a sound investment for Canada. Our young people are our choicest natural resource and they are well worth the relatively small amount of money that would be required. In this connection I was rather struck with an article which appeared in the January issue of the *O.A.C. Review* published by the Ontario agricultural college. I should like to read a short paragraph, because I think it expresses in

brief language what a good many people are thinking at this time. This reads:

It will probably be agreed by most people that a country benefits when the individual citizen prospers. Individuals prosper when they are doing work for which they are properly trained. This country spends large sums of money annually in developing, or guiding the development of its natural resources. These expenditures are regarded as investments in the future of the nation. It has often been said that the finest natural resources a country possesses lie in the brains and persons of that country's youth. Thus, the money spent in making possible the higher education of thousands of ex-servicemen should be regarded as an investment, one which, from the national point of view, will yield the very highest returns. Very likely, those who passed the act inaugurating this program regarded it as such.

I have received a number of letters from single veterans, both male and female, whose homes are in my constituency, telling me of the difficulty they are having with the present allowances. In the first place, I was very much struck by the type of letters these young people write. They do not make immoderate demands. They do not ask for something excessive. In nearly every case these young men and women who are taking educational courses in various parts of Canada, in writing express their appreciation of what the country is doing for them, and in very fair language point out the difficulties they are having in completing their courses under present conditions. I have received a number of letters from single male veterans and from single female veterans, and I support their plea for an addition to their allowance. I shall deal particluarly with the situation of the women veterans, because they of all, in my opinion, suffer the greatest handicap. I find, on talking with these young people, the women veterans, that they find it much more difficult under present circumstances to find summer employment than the single male veteran, and because of that they experience possibly the greatest hardship.

I want to quote briefly from a letter I received from a young lady taking a course in accounting at Toronto University. She comes from a very fine family in my constituency, and writes as follows:

During the year the modest average estimate of our expenses over what is covered by our D.V.A. allowance is $250. The average minimum which the student living in the city pays for living is $80 a month. I am living in a women's residence where we pay $368 per year each for a triple room. This sum is divided into eight monthly payments of $46 for the convenience of the veteran. The first payment must be made on October 1, before our D.V.A. allowance cheque arrives. Hence this amount must come out of our summer earnings.

Our books and other school supplies total about $50 for the year. Since there is considerable continuity from year to year in our course we do not like to sell our books from the previous year.

This year our expenses are higher than last year. Our board was increased $6 per month, and it is understood that it will be increased again next year. The balance of $14 merely covers cleaning bills, stockings and toiletries, leaving nothing for clothing replacements, club fees, recreation and other incidentals.

To be quite frank I manage modestly well with an allowance of $25 a month from my parents, and knowing them you will realize that they are more generous than most people could afford to be. There are numerous cases of students whose parents are putting a younger member of the family through college and cannot afford to assist the ex-service member of the family.

Mr. MITCHELL: If the hon. member will permit a question, it is estimated that a university degree is worth $1,000 a year once you have it. Hundreds of thousands of veterans have gone back to industry, agriculture, or commerce without asking the people of Canada for a cent and, by their participation in the productive efforts of the nation, have made possible the payment of these allowances to the veterans of whom my hon. friend speaks. Does the hon. member not think that those attending university should themselves make some contribution for that higher education which they demand from the people of Canada, including the rest of the veterans, who on coming back went straight to work?

Mr. HERRIDGE: My experience has been that a good many of these veterans are making some contribution themselves and doing the very best they can to assist themselves; but even with that, the funds are not sufficient, particularly for the woman veteran, whose position I particularly emphasize. In answer to the minister's question I could read at great length from this letter which explains that point very clearly, but I shall not take the time of the house to do so. I believe this country can well afford to invest this relatively small amount of extra money in the education of the splendid youth of this country.

While I have no strong objection to the amendment proposed by the Progressive Conservatives respecting the merchant marine, personally I cannot see, after reading the resolution, that the amendment is necessary because the resolution says:

That a select committee be appointed to consider the legislation relating to pensions, treatment and re-establishment of former members of His Majesty's armed forces and of other persons who have been otherwise engaged in pursuits closely related to war—

In my opinion that certainly includes the merchant seamen of this country and other

groups, and from the explanation given by the parliamentary assistant I would presume that my assumption is correct. The resolution goes on to say:

—and to make recommendations from time to time in respect thereto.

So I think the amendment is purely extraneous and confusing, and that the passing of the resolution itself will accomplish what those who support the amendment have in view.

In conclusion I urge again that consideration be given to making the small additional increase that is required under present conditions. I cannot understand why the government, after granting 16 per cent increase in pensions, could not go a little farther and grant the percentage asked for by the Canadian Legion, and the same with respect to the war veterans allowance. I agree with the hon. member for Comox-Alberni, whose remarks I thought were very appropriate and as well put as anything said in this house on the subject. When we consider the small additional amount required and the contentment and satisfaction it would bring to the veterans and their dependents there will be, I trust, no hesitation in granting this additional pension percentage and war veterans allowance.

Mr. CRUICKSHANK: I did not want to interrupt the hon. member because I agree with everything he said, except that I cannot go along with him as to the $60 a month for single students. Does my hon. friend think that even increasing the $60 will add to the value of Rhodes scholars?

Mr. J. A. ROSS (Souris): Mr. Speaker, three months after the opening of this session the new Minister of Veterans Affairs (Mr. Gregg) has introduced the following motion:

That a select committee be appointed to consider the legislation relating to pensions, treatment and re-establishment of former members of His Majesty's armed forces and of other persons who have been otherwise engaged in pursuits closely related to war, and to make recommendations from time to time in respect thereto.

That the committee shall have power to send for persons, papers and records, and to print such papers and evidence from day to day as may be ordered by the committee.

That the committee shall have leave to sit while the house is sitting.

That eighteen members of the committee shall constitute a quorum.

That the committee shall consist of Messrs. Baker, Belzile, Benidickson, Bentley, Blair, Blanchette, Brooks, Croll, Cruickshank,, Dickey, Dion, Emmerson, Gauthier (Portneuf), Gregg, Green, Harris (Grey-Bruce), Harkness, Herridge, Isnor, Jutras, Langlois, Lennard, MacNaught, McKay, Marshall, Moore, Mutch, Pearkes, Quelch, Ross (Souris), Skey, Tucker, Viau, White (Hastings-Peterborough), Wright, and that paragraph 1 of standing order 65 be suspended in relation thereto.

May I, first take this opportunity to congratulate the new Minister of Veterans Affairs upon his appointment and to assure him that his comrades across this country will certainly look to him for real leadership. From his experience and his past association with the Canadian Legion I am sure that he is well qualified to look after the interests of the veteran, but I want to repeat what others have said that he will have to be prepared to battle with the treasury board if he wishes to put through certain recommendations which the committee may later on make.

I was pleased to hear the minister say that all matters relating to the Department of Veterans Affairs will be referred to the committee. I was a member of the veterans affairs committee which sat under the able chairmanship of Doctor Cyrus Macmillan, in 1942, and it was my privilege also to sit on the committee in 1946 under the chairmanship of the hon. member for Rosthern (Mr. Tucker). The committee of 1946 was composed of sixty members of the house, all veterans of one or two wars. Those members certainly put in long hours for many days and gave a great deal of thought to the veterans charter which was later introduced in the house.

In my opinion veterans legislation is never finished, and we might well have a standing committee of the House of Commons on veterans affairs. I wish to make some reference to this point at a later time. First, I wish to refer to the rather heated discussion carried on by the hon. member for Rosthern this afternoon on this topic. While he was going to be brief, he took his full forty minutes. He said he did not think the government were at all to blame because this legislation was introduced only at this time. My mind goes back to December 8 when we had a discussion in this house on procedure and the Prime Minister (Mr. Mackenzie King) introduced a resolution that government orders should have precedence after December 9. There was a heated discussion. I, along with other hon. members, at that time pointed out that I had many grievances which I wished to discuss on the speech from the throne, grievances having to do with veterans, agriculturists and others. After that discussion, a vote ensued in this house and we were defeated 136 to 69. I am not sure that these are the exact figures. Then we debated the

throne speech periodically for a full three months, three months last Friday, when I think it was disposed of.

Mr. ADAMSON: It is not disposed of yet.

Mr. ROSS (Souris): It is not disposed of after three months. During that time certain legislation was introduced periodically by the government. A very muddled program of procedure has been conducted this session. This is my ninth session here. I have never seen so much time lost because of the procedure and the manner of introducing legislation in the house.

A little discussion took place between the hon. member for Rosthern and my colleague, the hon. member for Royal (Mr. Brooks) over certain benefits, and as to who has the best system, the United States or Canada, in that respect. I wish to put on the record some figures which the hon. member for Royal was not permitted to do at that time. In my hand I hold a clipping from a newspaper which reads as follows:

College-Vets to get more benefits in U.S.

Washington, Feb. 15.—President Truman Saturday signed legislation increasing benefits of 2,000,000 war veterans attending college under the so-called "G. I. Bill of Rights."

It raises the monthly subsistence allowance for veterans without dependents from $65 to $75, those with one dependent from $90 to $105 and those with two or more dependents from $90 to $120.

I wish to make some reference to the matter of the Veterans Land Act. First of all, I wish to agree with the hon. member who spoke earlier this afternoon and say that there are very many veterans who wish to settle on the land under the full-time scheme, but are not able to be satisfactorily located on such land. I know many of these chaps personally, and it is very difficult for them. Time is going on. I think undue delay has occurred there. The week before this session opened, an order in council was passed with reference to those who have taken up lands, whereby those veterans under the land act have the option of making payments on the basis of crop yield instead of a fixed cash payment. That is a provision which veterans organizations have sought for some time in order to prevent the recurrence of what followed the first world war when many hundreds of settlers were burdened with an increasing load of compound interest because of their inability to meet the cash instalments. That is all to the good. I could say quite a bit on that matter but I do not intend to take very long. With respect to that, I wish to add, having made this constructive concession with respect to new soldier settlers, it is to be hoped that the government will re-examine the possibility of relieving the burden of the first world war settlers who, not having this option, became hopelessly involved in debt through crop failures and poor crop conditions. I hope that these people will now receive proper consideration.

With respect to the small holdings under the Veterans Land Act, I think the last figures which the minister has given us indicate that some 2,670 veterans homes have been constructed. It has certainly been a very thorny problem throughout the country. I remember my colleague, the hon. member for Lambton West (Mr. Murphy), after making a very strong argument in February 1947, a year ago, asked for a royal commission on this matter because he thought it was so serious. I endorsed that request at that time. He has asked for it again this year; and, while I realize that a great deal has been done in the matter of adjustment, first of all $500,000 being passed by order in council for that purpose, and later on another million dollars being passed, yet the last reports that I have, within the last few days, indicate that some of these projects are still not satisfactorily settled and that these holdings are still a real problem. There is one in particular that I wish to refer to the minister. I have refrained from doing that so far until he became settled in his department, but I had a series of questions concerning the Boucherville Veterans Land Act project on the St. Lawrence across from Montreal. My first question was on July 5, 1946, and was based on a press report. The answer from the minister was that he had known about it in January, 1946, and had directed the R.C.M.P. officials to investigate. I asked another question in 1946 and did not get any definite answer. Then, in March, 1947, I said that there was a charge of more than faulty construction with respect to the Boucherville project under V.L.A., and I asked, "Will a report be made on that project?" The minister of the day replied:

Yes. It is still partly under the jurisdiction of the courts. Certainly there will be a report.

It is now over two years ago last January since this investigation was commenced. Surely at this date we are entitled to a proper report on this Boucherville project from the responsible minister of the day. I hope he will give us an answer in the house on the matter.

We also had a statement from the then minister back in March, 1947, stating that some $600,000 or $700,000 of repair work would be done at the expense of the Canadian taxpayer. In spite of all the questions we have asked so far, we have never received information that any action whatever was taken

against the contractors despite all the faulty materials and faulty workmanship in many of the projects in Quebec and Ontario. The one that I am personally acquainted with is Charleswood, Manitoba. There are also other projects in British Columbia. There are projects right across this nation. It is a problem that I am doubtful whether we shall ever bring to a satisfactory conclusion in the committee that has been set up at this time. Something should be done in the interests both of the veterans and of the taxpayers of this country.

I said I wished to be rather brief. There are still other matters affecting veterans that we probably cannot deal with in this committee under its terms of reference. On February 20 I asked a question, and this has to do with the army. My question was as follows, as appears at page 1429 of *Hansard*:

> I should like to direct a question to the Minister of National Defence. In view of the answer given the hon. member from Nanaimo on Wednesday, February 18, that Canadian soldiers who fought in the Pacific did not receive the special Pacific pay while those in training in the United States did, will the government now grant this Pacific pay to the survivors of Hong Kong?

I will not bother reading all the answer of the Minister of National Defence, but it was to the effect that it would not be granted. He wound up his argument by saying:

> It is felt that it would not be justifiable to extend it to those who served in that theatre under quite different conditions and at an earlier date.

And the hon. member for Peel (Mr. Graydon) said:

> Under terrible conditions.

And I can vouch that they were terrible conditions, after having talked with many of those boys who have come back to this country. I do not know whether we shall be able to discuss this matter of Pacific pay any further, but I have had letters from several legion branches, of which these boys are now members, asking whether anything further can be done or whether we shall have the opportunity to discuss the matter further in this committee. I hope that the minister will reply when he sums up. I want to assure this house that today there is very great dissatisfaction in parts of Canada with the manner of treatment dealt out by this government to our veterans of Hong Kong. One of the regiments, the Winnipeg Grenadiers, originated in Manitoba, and many of the personnel were from my own local community, boys whom I saw grow up from infancy.

The report of the Duff commission of 1942 was not in keeping with the true facts with respect to this matter. I wish to say that many people are very suspicious of Chief Justice Sir Lyman Duff, the Prime Minister (Mr. Mackenzie King) and the Secretary of State for External Affairs (Mr. St. Laurent) who was then Minister of Justice, with respect to that inquiry. I want to add right here that this suspicion will grow and spread across this country until the time there is a public inquiry held in the open to prove or disprove many of these charges with reference to that inquiry. If the government wish to clear up this suspicion, these charges and rumours, they should immediately institute a public inquiry on that situation in fairness to these boys. I hope they will do that. I have seen a copy of a telegram sent to one of my colleagues in this house from a member of the British intelligence service, stating that if such an inquiry is held he is prepared to give evidence under oath that this government had the information concerning the situation in Japan and Hong Kong before these boys left the country. The whole thing is in such a state that the government owes it to the country to have an open inquiry instituted immediately. That is all I wish to say in that regard.

I hope the minister will tell us whether we can further discuss the matter of Pacific pay for these boys, for they deserve it if any persons in the armed forces ever deserved such consideration.

I should now like to ask a question regarding the McCann commission—I believe that is what it was called—set up by the ex-minister of national defence. I believe they visited the Shaughnessy hospital, or at any rate some hospitals in British Columbia last January and interviewed several veterans of Hong Kong as well as others. Can the minister tell us when that report will be submitted to the house? It is interesting to many people.

Mr. McCANN: The report is ready for submission to the veterans affairs committee as soon as they want it.

Mr. GREEN: Why not table it in the house?

Mr. ROSS (Souris): I am pleased to have that information from the minister. I am sure that many people in the country will be glad to know that. I had thought it might be tabled in the house, but so long as it is made available to the public through the committee I am glad to hear what the minister has said.

I wish to endorse the legion brief regarding the whole matter of added pensions and payments, concerning which, I understand, a separate bill is also to be referred to the committee. I wish again to state emphatically that for any delay that has taken place in this regard the government must assume responsibility. It is attributable entirely to the manner in which the government has introduced legislation and conducted procedure in this house during this session. We have already heard from four members on the government side concerning this bill. I am only the third speaker in this party and have taken only a few minutes, but I shall have more to say in the committee. However, I wish to make this point at the present time. I am disappointed that the committee is as small as it is. There was a committee of sixty members in 1946 and it brought forward the veterans charter. That committee consisted of veterans. Those gentlemen are still members of this house, and naturally many of them in all quarters of the house will be disappointed that they are not on this new committee, which consists of only thirty-five members. I am sorry that they will not be on the committee because it is their desire to do everything they can for their comrades. Owing to the limitation of the committee, however, it is impossible for them to participate.

Mr. T. L. CHURCH (Broadview): I wish to occupy eight or ten minutes of the time of the house this evening to call attention to some features of this great problem of the care and treatment of returned soldiers from the last two wars. I wish to compliment the committee which has been acting in the last two or three years on the fine charter it produced last session and the session before.

This committee has approached the important problem of returned men very largely from a non-partisan point of view and I hope that spirit will still pervade the committee. Once in a while there is a departure from it, but on the whole the committee has been non-partisan in its endeavours and I compliment them accordingly. I also wish to compliment the two Victoria Cross holders on this side of the house.

I should like to refer to certain features of the work of this committee, but before doing so I would point out that after the last war, when the soldiers were coming home after 1917, owing to the lack of hospital accommodation hundreds of young soldiers died from the flu in the camps in the Toronto district. There was considerable uneasiness about that situation and we had an inquiry in a series of inquests at Toronto, as a result of which we discovered that there was an utter lack of hospitalization for the troops all over Canada. The result was that the government of Sir Robert Borden had to spend $35,000,000 in hospitals all over Canada.

The minister of militia, as he was then, the late General Mewburn, accompanied by me, looked at the Goodyear new building at Long Branch, but it was unsuitable and too far away, and it was decided to take the plant of the Kodak Company, called the Christie Street Hospital from then on. At that time the doctors were only on half or part time.

A great many improvements have been effected since that day. I may say that when I first brought up the matter of Sunnybrook hospital the proposal was unfavourably considered. Before that war I had been in communication with the owner of that property, the late patriot, Joseph Kilgour, urging him to devote it to civic purposes and in his will he gave it to the city for a park. After the last war broke out, I urged the city of Toronto in 1942 to make use of the site for hospital purposes. The late lieutenant governor, Hon. W. D. Ross, a splendid citizen, who died recently, was a warm friend of the present Prime Minister (Mr. Mackenzie King) and he offered several hundred acres of his large farm at Erindale on the Credit river free to the government. I thought it would be accepted. However, they later accepted Sunnybrook; I am glad they did at last get a wonderful hospital there; and improvements have been carried out which are of great importance. I hope Christie Street will in time be closed.

I believe there are some aspects of this problem of veterans that have not been considered. I refer particularly to the representations that have been submitted by the war amputations of Canada. This is an association every member of which has lost a limb, limbs or complete eyesight in fighting for Canada. In common with all other disabled groups they are seeking an increase in the basic rate on which compensation for their war disabilities is assessed, and they are asking for a level which will provide $100 per month for a 100 per cent war disability. The pension for total war disability has been $75 a month since 1921. It was fixed on the cost of unskilled labour in the general labour market of that time. The government proposes to increase it to $87 a month.

In twenty-seven years the improved standard of living in Canada has enforced large increases in income throughout all industry

and business. Advances of 40 per cent and more were widespread even before the recent meteoric rise in the cost of living. The increase offered the war blinded, war limbless, war paralysed and other war disabled would be regarded as most moderate. The industrially disabled draw workmen's compensation at current wage rates in their industries. By comparison the request of the war disabled is most modest. Yet they have made the greatest of all sacrifices for their country, short of giving their lives. They should be the last and not the first targets of government economy. That is correct, in my opinion. That is what they are asking for and I now most heartily endorse the principle of $100 a month for a 100 per cent disabled fighting man. I hope something will be done along these lines by this committee.

I am glad to see that the work of the committee will embrace pensions, treatment and re-establishment of former members of His Majesty's armed forces and other persons otherwise engaged in pursuits closely related to war, and that the committee will make recommendations from time to time in that respect. There is a strong committee from all sides of the house.

I will not go into all these matters, but I think the question of the blind and the amputation cases should receive very careful consideration. It is, as I say, a long overdue measure and further assistance should be given.

As regards the merchant marine, I was a former chairman of the harbour commission and one of the founders of the new harbour commission. I may say that I have seen these boys on ships on the lakes. I have seen the work they did before and during the war. I cannot speak too highly of the work done by the men of the merchant marine during the war. They went out to fight the battle of the Atlantic by night and by day, in the darkest hours of the war, when we thought the war was lost, in all seasons and in all climates. They stood by their ships, and many of them lost their lives. I hope something will be done for them this session.

I hope the committee will consider a further grant or bonus or subvention for the employees of the Canadian National Railways, the Canadian Pacific railway and the other railways. A large percentage of them are returned soldiers. I think this bonus should be given for the way in which they transported the troops to the seaboard. Their work was most commendable, and they received nothing for it. In connection with demobilization, hundreds of trains ran to Halifax from all across the country. These employees have as yet received nothing for their services from the corporations by which they are employed. I hope the committee will go into that particular feature.

Another matter I wish to mention is that of housing, which amounts to almost a scandal in this country. I can tell you that, from what I have seen of these trailers from the train windows when coming into the city. I remember raising this matter in 1928 and 1929 with a former great newspaper man, Mr. Harry Anderson, editor of the *Globe,* who was one of the heads of the press gallery. He took it up in his paper. I do not know what would have happened to these returned men across the river if the wind had been the other way the night of the fire, two years ago, which nearly destroyed the bridge in Ottawa and even in some parts of this city where there are these trailers which should not be there. The returned men have a right to something better than things like that.

Then with regard to rent control, I know of no reason why a returned soldier should not be able to get into his own home. I have always urged that in the house. I know of some of these injustices. From what I have seen of these rental courts, the decision in many cases is far from being justice. I am surprised at the judges acting in them. I do not believe in the principle that judges should act in these particular courts.

I notice that in some of the law courts there have appeared some of these poor unfortunate soldiers in connection with income tax and petty violations of control regulations, who cannot make a living because of the high cost of living and so on. They are summoned before magistrates, county court judges and all that kind of thing. Some consideration should be given to these men. I hope that either the government or the soldiers' organizations provide counsel for them, because I see reports in many of the newspapers with regard to them. I have received as many letters as most hon. members, and probably more than some, from people who write to me from the Toronto district and other parts of the country. We need to have counsel for those soldiers who are brought before these courts. Something should be done about the high cost of living for them.

Then we have the imperials. There are thousands of these men in Canada. Some of them have been here since the last war and have been citizens for twenty-five years, and some of them do not get anything. I have known a great many of them, and some of their children and their children's children are suffering. The committee should include

them. Then there are the firemen. Some of these firemen have done splendid work overseas. I hope the committee will consider them. Then we see that some of the Hong Kong soldiers are not getting a real living allowance. I had a letter from a lady the other day who said her boy would never be the same. He is in hospital. As I see it, a great many of these troops should have been placed in the hospital or in a rest home for a year after they return home, because they will never be the same. I hope the committee will consider that feature and grant them equality of treatment with those who trained in the United States.

I believe some direct federal aid should be given to the municipalities by way of direct aid toward relief, hospitalization and rest homes. I know a great many of these poor soldiers whose wives have to go out to work in the daytime, leaving their small children in rest homes for nursing, education and food. Some of these women work an eight-hour day. I hope some aid may be given to the municipalities for the half the cost in soldier cases and others. The burden should not be on the municipality for the treatment of these honourable patriots who suffered even unto death for this country in two wars and during the depression. I believe that some help should be given to them. I believe in the policy which has been urged in some parts of the country. I hope the committee will consider what should be done about these war memorials. After the last war a survey was made by the Minister of Reconstruction (Mr. Howe) with regard to these after-the-war memorials—schools, community homes or centres, municipal institutions or something like that all over the country. I think the finest memorial you could build for the soldiers is to give them proper and decent housing, increased cost of living allowances, and many of the other matters which I have mentioned.

There was a debate last session with regard to these war memorials. In our city the municipality paid for two or three of them. I have forgotten just how many thousands of dollars, but there were some of them which the city pays for. I do not believe that the municipality should do so. There should be a national policy on all this relief. It should be national, not local, and, if done, should be done by the federal authority. Otherwise we shall have the citizens of our cities paying for these war memorials in their own towns and for those in other parts of the country. I hope the committee will consider that.

[Mr. Church.]

Then there are the war students in our universities and colleges. When I see these magnificent institutions, Mr. Speaker, I want to compliment you on having a son attending the University of Toronto. He has been recently elected head of the students' council of one of the important colleges in that great university. We have 18,000 or 19,000 students in the University of Toronto. A large percentage of these men—over 10,000 of them—served in this war. I know a great many of them. I might mention Danforth Technical School, where the Governor General is to lay the cornerstone of a war memorial on May 30 next. I can tell you that there is a school that was used during the war, with 10,000, 11,000 or 12,000 students, by night and day. Great work was done in the secondary schools. I was talking to one commanding officer the other day, and he could not understand why the government did not give further assistance to the cadet services in secondary and other schools as formerly. The buildings have been provided, and the work of the cadet services is most commendable. These cadets will be needed in the years to come as soldiers and leaders of this country. While many of these soldiers now at the universities work in the summertime, many of them cannot get jobs then. I wish to commend the present minister for his interest in that branch of the work, war students at colleges. He himself was the head of a great university and I know he is interested in that particular branch of the work. I urge that it be further extended to all the universities of our country, with more liberal treatment in it.

Another matter which I should like to see the committee consider is that of positions in the civil service. I remember when I was head of the city we had a hard-and-fast rule that all assistance should be given to returned men, and that has been the universal rule in our city from the start, that they be given preference in all positions of employment.

I hope the committee will consider the matter of cadet service. I urge that, lastly, upon the minister, because he knows the value of cadet service to the people of this country. The cadets of today are the soldiers of tomorrow in case of another war in the future. We are not far away from war now, though by the grace of God we hope it may never come to this country again. We hope we may never be invaded, though we are pretty close to it now as in the last war. I urge that something should be done at this time for the cadet services to restore the grants and camps. I am sorry the Minister of National Defence

(Mr. Claxton) is not here tonight. I think he made a fatal mistake last year when he eliminated the cadet services from his program. In all wars, from the South African war and long before, to the two great wars, the cadet services have been the backbone of our militia, as they are today. Ask any commanding officer where his men come from; he will tell you that what I say is correct.

I do not know that I can add much more, except to say that I do not like all these evictions of returned men which are taking place throughout the country. They are a disgrace to Canada; and it is also disgraceful that soldiers cannot get possession of their own homes. I do not know where we are heading in regard to these matters, and I hope attention will be paid to them.

I want to compliment the various members of the committee. They did noble work in years gone by, and I hope they will get together this year and bring these matters up to date, so that the returned men will urge their sons and others to enlist if trouble should again come. If trouble does come on land, sea or in the air, as it may, I hope the committee will recommend the re-establishment of the air training program for the whole empire, as a defence measure for the empire. That should have been continued; we should never have let it drop.

Having offered the committee these few suggestions, I hope they will get to work soon and that the report they bring in will be a blessing not only to the people of this country at large but especially to the returned men and their wives and families.

Mr. G. R. PEARKES (Nanaimo): Mr. Speaker, I would not like the impression to get abroad as a result of this debate that the people of Canada have in any way changed their attitude toward our veterans. The people of Canada are just as enthusiastic today about showing great generosity and gratitude to those who served overseas as they were at the conclusion of either the first or the second great war. Nor would I like the impression to get abroad that the returned men feel that the people of Canada have not shown gratitude for their services. I believe the majority of the veterans feel that their sacrifices have been well recognized by the people, and they are grateful for all that has been done to enable them to become re-established in civilian life. They are also grateful to their comrades who are serving as officials in the Department of Veterans Affairs, whether on the pension commission, on the war veterans' allowances board, on the boards in connection with rehabilitation or in connection with the Veterans Land Act. Veterans are serving in all those capacities; and the ordinary run-of-mine veteran in the country appreciates that they are trying to give him a square deal. Of course they realize that these officials are circumscribed by the laws and regulations which have been laid down, and that it is not within their province to go beyond those regulations. But I believe the officials of the department have endeavoured to interpret the laws as generously and sympathetically as possible.

I am proud to have been nominated as one of the members of this committee. It has not been my privilege to serve on committees for a number of years, though I did have the pleasure of serving on the committees of 1945 and 1946. This afternoon some reference was made to the activities of the 1946 committee, and perhaps I might give the impressions of a newcomer as to how that committee functioned. During the first months of its sittings I was surprised at the non-partisan attitude adopted. Various briefs were presented by the different veteran organizations. They were listened to attentively; comments were made, and it did not matter which party a member of the committee might represent in this house, he tried to deal with the problems as they were presented to him and to give the opinion of a veteran trying to work out the best possible scheme for his fellow veterans. But as time wore on and it became necessary to reach a decision in certain matters, one noticed a considerable change. New faces appeared at those meetings, and I remember so well the hidden legions being led forward by a minister of the crown, now the Minister of Finance (Mr. Abbott), and overruling the recommendations made by the impartial members of the committee in earlier sessions. During a previous session of this parliament I referred to the mobile reserves which were brought up. I have a vivid recollection of those mobile reserves moving in, not unlike the Hun divisions which moved in after the first battle of Cambrai.

Mr. GIBSON (Hamilton West): I object. That is a bit thick.

Mr. PEARKES: I had not the wit to coin the phrase uttered this afternoon by the hon. member for Vancouver South (Mr. Green), who referred to that committee as a creature of the government; but I did come away from the later sessions of that committee with the firm conviction that we had been made tools of the government.

I am pleased that this new committee is being set up. I hope it will not be placed in a strait-jacket as was the previous committee of which I speak. I appreciate the remarks of the Minister of Veterans Affairs (Mr. Gregg), who says he will welcome suggestions as to how improvements may be made in veterans legislation. For fear some restrictions may be placed on the committee, I should like to take a few minutes this evening to offer one or two suggestions to which I hope the committee will be able to give consideration. I seize the opportunity to speak to the members of the committee now, and I hope this will enable them later on to give full consideration to what I am about to suggest.

Referring, first of all, to the amendment which has been proposed, I am heartily in favour of introducing into this motion now the fact that the committee must consider the merchant navy. If those words are included in the motion the committee will be obligated to consider the services rendered by those men. Again I recall what happened in the 1946 committee. Several hon. members suggested at that time that we should give full consideration to the benefits which should accrue to the members of our merchant marine. There was some rather desultory discussion of the part that the merchant navy had played in the general scheme of winning the war; there was some rather happy-go-lucky discussion of the type of benefits that they should receive, but when it came down to making a final decision the merchant navy was jockeyed out of position. There was a suggestion that their benefits should be considered in a separate bill, that they should not be included in the Pension Act or the War Veterans Allowance Act or other benefits which affected the armed services. Therefore I am anxious to see this committee charged with the responsibility of making a recommendation to the government as to exactly what benefits the men of Canada's merchant navy should receive.

There was some mention this afternoon about the merchant navy and the armed services. Do hon. members realize that the members of the merchant service were armed, that they had quick-firing guns on their vessels in order that they might deal with any hostile submarine? Do hon. members know that they regularly kept watch with their anti-aircraft guns so that they might engage any hostile aircraft which might fly over their vessel? I hope hon. members on all sides of the house will support the recommendation to include consideration of the benefits which should come to the men of the merchant marine and charge the committee with giving careful consideration to them.

I was pleased to hear the Minister of Veterans Affairs announce, when speaking about pensions, that the cheques for the increases were already prepared and that he hoped to get them out for Easter. My query is: Why wait until Easter, midsummer or next Christmas? Let us get them out now. Why not send out these cheques tomorrow? When they are sent out I hope he will say that it is only in part payment because, if this committee gets the opportunity of hearing the recommendations of the various veterans organizations, there is no doubt in my mind that it will come forward with a recommendation to increase the increases of pension which the government has already recommended. I say, let it be made quite clear that these additional cheques are merely part payment of what I hope will be an additional increase to be approved when the committee has made its recommendations based upon the briefs which I hope it will listen to from the various veterans organizations.

I am not going to labour the point because twice this session I have pleaded for additional increases for the veterans. I remember an old saying: There's luck in odd numbers, says Rory O'More. Therefore I do not hesitate in saying for the third time, almost on St. Patrick's day: let us have additional increases to these pensions in view of the present increases that are recommended being totally inadequate.

The same thing applies to the war veterans allowances. I have spoken about this before and suggested that the regulations with regard to the amount a veteran may earn and still receive an allowance be simplified. But above all things I urge that the increase be made automatic in order that we do not have to refer back to the board to see whether a man already granted an allowance because he was needy can prove that he is still needy or perhaps more needy in order to obtain an additional allowance. I urge also that the war veterans allowance be extended to cover more persons.

I would suggest, first of all, that the committee give careful consideration to allowing members of the Canadian expeditionary force of world war I who, through no fault of their own, got only as far as Great Britain, who were held there for various duties and were not granted the privilege of serving on the continent of Europe, to come under this legislation. It seems to me that those Canadians of that original expeditionary force should be granted the same benefits as those now granted to Canadians who served only in Great Britain in world war II. It should be

remembered that there were more casualties in Great Britain through meningitis on Salisbury Plain during world war I than there were from German bombings. It may be that this phase has been overlooked, but the records show more casualties on account of exposure on Salisbury Plain than from bombings.

When considering the extension of war veterans allowances to veterans of world war I who served only in Great Britain, let us remember that Canadians who served in the northwest field force, commonly known as the Riel rebellion, men who served only in Canada, are entitled to these allowances. Surely men who crossed the Atlantic and were exposed to submarine attacks during the first world war are just as much entitled to consideration as veterans who served only in Canada in the northwest field force.

I should like to refer to those veterans who served with British forces other than those of Canada, commonly known as imperials. I would put them in two classes. First, there is the man who was domiciled in Canada perhaps for a number of years before the outbreak of the war. Perhaps for business reasons, perhaps to complete his education or for some other reason he went over to the United Kingdom a short time before the war broke out in 1914. These men were anxious to serve their country and, giving no consideration to what unit they joined, they joined up with the first regiment accepting recruits. The first contingent of the Canadian expeditionary force did not arrive until some time after, so that these men joined up with any regiment which was mobilizing. Then, after the war, after they had served with the imperial forces, they returned to Canada. Those men are Canadians. They may have been born in Canada; they may have come to Canada from the old land two or three years before. I received a letter this very morning from a man who came to this country in 1905, remained here until 1912, then went over to the old country for business reasons and joined up immediately on the outbreak of war. When the first world war was over, he returned to Canada. He is a Canadian in every sense of the word but he is deprived of the benefits of the war veterans allowance. I can see no reason why that class of imperial should not be included in the benefits of the war veterans allowance.

Others are those men who served in an actual theatre of war and, after service in the first world war, emigrated to Canada, and here in Canada they lived for perhaps twenty years. Personally I believe they also should be included in the benefits of the war veterans allowance, and that they should also have the benefit of our Canadian hospitals. The next point I want to make, and I hope that this will be taken up in the committee, is that there should be a new definition of "western hemisphere" as applied to the War Service Grants Act. I should like to see the definition extended so that those men of the 34th company of the Veterans Guard of Canada who did their duty in British Guiana should have an opportunity of receiving the benefits under the act. Those men volunteered for active service wherever they might be, and they were sent, not to Europe, but through a submarine infested Caribbean sea down to South America, where they had strenuous and dangerous duty to perform. There they were separated from their families for two or more years. Owing to a narrow interpretation which is given to the term "western hemisphere", they are deprived of the benefits of the act. I feel that they should be given an opportunity to have their case considered. In the previous committee they submitted a brief; but on November 25, 1946, the chairman of the committee advised the author of the brief that it could not be considered during that session of parliament owing to the amount of work before the committee. I hope that now, after the lapse of all these months, the chairman will allow the original brief as submitted by the representatives of the 34th company of the Veterans Guard of Canada to be considered, with a view to seeing whether they are not entitled to some benefits in recognition of their service in British Guiana.

Some references have already been made to the members of the ferry command. They were Canadian, British and United States pilots who flew some 11,000 aircraft from Canada to the various theatres of war. They actually landed in North Africa only a short distance behind the troops, who were engaged in battle. There they delivered their aircraft, and they delivered ammunition and supplies. It is a matter of record that three out of every four of the pilots of the ferry command lost their lives.

I should like to put forward a special plea for the widows of the Canadian members of the ferry command. In British Columbia I know of some widows of pilots of the ferry command who are in very much straitened circumstances. I know of one case where there are three orphan children who have to depend entirely upon charity for their livelihood. They receive no pension; they receive no gratuities. Yet at the same time the British government has quite recently given full recognition to the members of all civilian air crew and considers them on a par with service

personnel in so far as benefits and service decorations are concerned. I hope that the minister will charge the committee to give this class full consideration and to call evidence in order to substantiate my claim that the men of the ferry command should receive greater consideration, and particularly that their widows and orphans should have more generous treatment accorded to them.

I have one more point which I am not quite certain will come within the province of the committee, but I would ask that the question be reviewed by the committee. I speak of those veterans who were serving in the permanent forces of Canada and who took their discharge under what is known as part V of the militia pension scheme. They were regular sailors, soldiers or airmen who had expected to complete their service agreement of twenty or more years before they drew their pension. Owing to circumstances connected with the war, they found that after fifteen years of service, and sometimes less, they were given an opportunity to retire under what is known as part V of the militia pension scheme. They were given the opportunity but actually they had very little choice in the matter, because if they had remained on they would have had to take a very much lower rank. In many cases it was considered advisable, and rightly so, to stream-line our forces, and men who had reached middle age were not required in the armed forces of the country in peacetime. The point that is causing this type of veteran considerable hardship is that he is prohibited from enjoying the full benefits of his pension scheme if he accepts employment in the public service of Canada. When they joined up ten or fifteen years ago they realized that that was a condition of the militia pension scheme, but they also realized that by the time they had completed their service they would be getting on in years and would be drawing a larger pension than the one they now draw under part V of the Militia Pension Act. But they are handicapped now because, if they accept employment in the public service, they cannot receive the full benefits of the Militia Pension Act, to which fund they had contributed during the period of their service.

The public service of Canada has expanded considerably. It is no longer merely the civil service, but all these crown companies which are springing up to take care of various industries are considered as part of the public service of Canada. I suggest to you, sir, that a man who has spent a number of years in the armed service of the country is by virtue of his training, his adherence to discipline and punctuality, which has been instilled into him, particularly suited in many cases to service in these crown companies or in the public service of Canada; and I would ask that the committee's scope be extended to give consideration to the advisability of modifying those restrictions in some way so as not to discourage this particularly desirable type of man.

I have covered a good many points. The minister asked for suggestions. I have tried to give some suggestions which I hope will be of benefit in guiding the committee's deliberations. I hope that the committee will be set up without further delay and will be able to get down to work, and that, after its deliberations and it has heard the evidence which will be placed before it by the different bodies which are to appear, when it has made its recommendations the government will pay heed to them.

Mr. J. O. PROBE (Regina City): Mr. Speaker, I wish briefly to express concurrence in the resolution standing in the name of the Minister of Veterans Affairs (Mr. Gregg) to set up a select committee of the House of Commons to consider the legislation relating to pensions, treatment and re-establishment of former members of His Majesty's armed forces, and so on. It seems to me that this debate should have been the opportunity for those of us who this year are not to be favoured by being on the committee itself to pass on through you, Mr. Speaker, and through the Minister of Veterans Affairs, to the committee some of the points that arise in our minds as to what should be the scope of the activity of the committee when it starts to function.

I wish to refer for a moment to the amendment that was introduced this afternoon in the name of the hon. member for Royal (Mr. Brooks). With respect to that portion of the resolution relating to pensions, treatment and re-establishment of former members of His Majesty's armed forces and of other persons who have been otherwise engaged in pursuits closely related to war, the hon. member for Royal brought in an amendment specifically mentioning the merchant marine. He emphasized that some consideration should be given to the merchant marine. I believe that all hon. members are concerned that the merchant marine should be properly re-established, as should be the members of the armed forces.

However, this occurs to me in connection with the amendment, and I want to ask some of the legal minds in the house a question on this matter. At the moment there comes to

my mind the contribution made by some of the fire fighters or of the personnel of the Red Cross or of the members of the ferry command or of the various other auxiliary services which are not at the moment recognized for re-establishment on the same basis as that of those who wore His Majesty's uniform. It seems to my non-legal mind that the fourth line of this resolution would have made complete provision for a discussion at least of further measures of rehabilitation for those groups which I mentioned, which are exclusive of the merchant marine. I do not know just why the hon. member for Royal considered the merchant marine as worthy of singling out at this stage. I want to pay them every tribute, but I recall the excellent work of the fire fighters overseas, and it would seem to me that they should be placed in this group as well. To my mind the resolution as it stands is sufficiently inclusive. I wonder, Mr. Speaker, whether you would permit me to ask the Secretary of State for External Affairs (Mr. St. Laurent) at this stage, or perhaps he can answer it after I sit down if he prefers, just to what extent the reading of the resolution as it stands on the order paper would exclude, or otherwise to what extent the groups I have mentioned come within the scope of the resolution without applying the amendment proposed by the hon. member for Royal. To my mind the thing is redundant; but not being trained in legal matters, it seems to me that the wording is perfectly clear to include all these groups that I am interested in, as well as the fire fighters. I would appreciate it if the Secretary of State for External Affairs, who has some training in these matters, would express an opinion as to the comprehensiveness of the scope of this resolution with respect to the group that I have mentioned other than the merchant marine. Then, of course, in his capacity as leader of the house at the moment he could assure us whether or not we would be excluded or whether the committee would be excluded from discussing the various matters relating to their re-establishment as they are brought up. I should like the minister to make a note of that as well.

Mr. GREEN: May I ask the hon. member a question? Perhaps he has overlooked the fact that the amendment deals with His Majesty's armed forces. If the amendment is accepted the resolution would read, "former—"

Mr. MITCHELL: To whom are you talking?

Mr. GREEN: "Former members of His Majesty's armed forces, including the merchant navy." Then it goes on.

Mr. PROBE: I beg your pardon. If what the hon. member for Vancouver South now says is the purpose of the amendment it is to put the merchant marine in the same class as members of His Majesty's forces in uniform.

Mr. GREEN: As a fourth arm of the service.

Mr. PROBE: If we do that then, of course, we shall have to include the fire fighters and those other groups who saw service in an actual theatre of war, as most of us are aware. However, I shall wait until the minister makes a statement in that regard if he will be so kind.

My purpose in rising was to offer a suggestion or two. I want to concur in the argument of those hon. members who have suggested that this committee be a standing committee of the house and that it do not just sit when the Minister of Veterans Affairs has some special thorny problems to place before it.

For quite a number of years yet we shall have to have continuous changes in administration and legislation covering re-establishment matters, and I would favour this committee being a standing committee of the house. I think, too, that the committee should be asked to consider pensions, treatment and re-establishment as specified in the resolution, but it seems to me that there is a broader aspect of this whole matter which they should consider. I believe there is a basic relationship to the special needs of discharged persons which should be considered—veterans of the war and war casualties and their families. These should be considered specifically as such; but as we get farther away from the war, then I think there should be some sort of co-ordination between the consideration given the needs of veterans and their families, having regard to the peculiar nature of war disabilities and the results of the war, and the needs of the citizens generally from the point of view of social service. That is to say, if there is, by virtue of public opinion at the present time, need to consider these matters, then it should be done as I suggest. If such a condition occurs that veterans rehabilitation, pensions, treatment, allowances and so on are given a certain emphasis in relation to our budget, and at the same time old age pensions, family allowances and the like are allowed to remain as they now are, and if there is no co-ordination or no relation between the two, then eventually we shall think of this as class legislation rather than as re-establishment legislation. The time is coming soon when there should be a co-ordination between veterans' matters and matters of social welfare affecting the basic needs of Canadian citizens generally, and legislation on the two aspects should be

dove-tailed in some respects, paying special regard, of course, to the peculiar needs of war veterans themselves and their families.

There is something else in connection with these allowances that are prescribed by statute. We fix these allowances periodically, every twenty, twenty-five or thirty years, or after sufficient public opinion has been built up for the purpose, and there is little actual relationship between war veterans allowances and pensions for war casualties, and the actual purchasing value of the money which they receive by statute. Our economy in the last year particularly has been so vulnerable to outside influences, or to government policy, that the cost of living has risen at a terrific speed, and there is no way in which compensation can be given to these people who have no earning powers so that they may have a living as adequate in 1948 or 1949 as they had on the same monthly cheque in 1946 and 1947.

I submit that the time has come to set basic pensions and basic treatment allowances, and then the government should in effect give bonuses automatically, based on the changes and fluctuations in the cost of living which are in large measure due to the policies of the Canadian government and for which, therefore, the Canadian government must assume full responsibility specifically.

I believe we all favour in this house increased allowances to student veterans and to pensioners; but simply to say, let us increase these allowances by ten, twenty-five or forty per cent is not a solution. It is not a cure for the straitened circumstances in which a person may find himself in consequence of the cost of living having fluctuated this way or that. In my opinion it would be much better to set these pensions at a base figure once and for all and then supplement them according to the fluctuations in the cost of living index, paying the difference as a supplement.

I would like the committee to consider an extension of the housing program so far as veterans are concerned. Unless a veteran and his family are able to take advantage of the Veterans Land Act and settle on a farm or a small holding, and that includes only a small portion of the number of men and women who have been in uniform, there is no opportunity to secure much needed housing. Some members may say, "Well, we have a wartime housing scheme by which the veteran may be able to rent a home." That is true for some if they are so fortunately situated that they may qualify for houses under Wartime Housing. Or, you may say, if he has money let him buy a home under the integrated housing plan. To my mind, that scheme for veterans is a distinct and utter flop. I recall specifically the case of a young man in my own city who purchased under the integrated housing scheme, or thought he was purchasing, a four-room house for $6,060, and when the time came that the contractor had completed the house this veteran found that, unless he was to take a chance on the down payment he had made to the construction company, he had to put up another $1,300 additional payment in order to get possession of a four-roomed house, or $7,300 for a small dwelling of that kind. It is utterly fantastic. The contractor was protected in his cost by the National Housing Act, but the man whom we thought we were protecting took the rap again by paying on an already inflated price another $1,300 before he could secure possession of his house.

I suggest that the committee should make a strong recommendation to the government this time that the housing schemes of the country be so enlarged that veterans might use their re-establishment credits to take advantage of alternative types of housing to that provided by the Veterans Land Act so that they can settle in urban areas, if they wish to do so, having the same right to receive grants from the federal purse as those who are fortunate enough to be settled under the Veterans Land Act.

Other groups could be included in this housing re-establishment as well as those in uniform, and I refer to the groups I mentioned earlier in my talk.

There is one other thing the committee should consider. I have spoken to a number of civil servants who enlisted at the beginning of the war, whose superannuation rights on enlistment were automatically suspended at that time and who now find, five or six or seven years after they enlisted, that they have to start all over again to build up superannuation credits. Surely that is very shabby treatment for the federal government to give its own employees when they are re-established. I feel that the veterans affairs committee should see that our own federal government be as generous as they have expected private concerns to be in the matter of taking back returned men.

I wish the veterans affairs committee every success in their deliberations if and when the committee is set up, and I hope it will be set up early.

I hope that the Secretary of State for External Affairs will rise when I sit down and give to this house some assurance that it is not necessary to have the Tory amendment voted on at this time. Perhaps the Tories will withdraw it.

An hon. MEMBER: Progressive Conservatives.

Mr. PROBE: I beg your pardon, Progressive Conservatives.

An hon. MEMBER: They are all the same.

Mr. PROBE: As I see it, the wording of this resolution seems quite satisfactory to me, but I should like to have a definite government assurance on that point.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): The hon. member asked for a definite assurance that the resolution as drawn covers and was intended to cover all those for whom there are already legislative provisions relating to pensions, treatment and re-establishment. That is quite clear. The question was specially considered by the government when the terms of the resolution to be put on the order paper were being approved. There are a large number of persons other than members of the armed forces for whom there have already been made legislative provisions relating to pensions, treatment and re-establishment. For instance, there are the merchant seamen and salt-water fishermen; there are the auxiliary services including several branches determined in the statute. There is the corps of civilian fire fighters for service in the United Kingdom; there are the R.C.M.P. special constables. The air raid precaution workers are included. Under part VIII, there are the voluntary aid services; that is, the Red Cross and the St. John Ambulance workers. Under Part IX, there are the overseas welfare workers; under part X, the Canadian civilian air crew of the R.A.F. commonly called the ferry command. It also includes veterans of the allied forces who are not members of His Majesty's armed forces. It includes the Wrens, the South African military nursing services, the special operators, and there may be others. The government wished to have the terms such that all those who could possibly come within the description of having been engaged in pursuits closely related to the war could bring their grievances, if any, before this committee.

Mr. GREEN: Of course the merchant navy was right in the war.

Mr. ST. LAURENT: I am not prepared to admit that the other classes I have referred to were not also right in the war; and I do not think the hon. member would wish, for instance, to face the fire fighters who enlisted for service in the United Kingdom, and say that they were not right in the war.

Mr. GREEN: We fought their battles for them in 1946.

Mr. ST. LAURENT: Yes. But the same provisions have been made for merchant seamen as have been made for these others; and there are with respect to them legislative provisions which may or may not be sufficient. But they are all included in the terms of this resolution. The hon. member's proposed amendment asks this house to make a statement of fact which would be false, because it cannot be asserted by this house with any degree of accuracy that the persons engaged for service in the merchant marine were members of His Majesty's armed forces.

Mr. GREEN: May I ask the minister a question?

Mr. ST. LAURENT: Yes.

Mr. GREEN: Does the minister contend tonight that the merchant navy men were incorrectly described by his associates in the cabinet as the fourth arm of the services?

Mr. ST. LAURENT: Did my hon. friend never hear of allegories or rhetorical figures of speech?

Mr. GREEN: I think that is what that was.

Mr. ST. LAURENT: I have listened to many of my hon. friend's speeches in the house, and there are a great many of his assertions that I would consider as allegories or figures of speech.

Mr. IRVINE: Since the merchant marine is already included in the original resolution, and since an amendment has been moved which mentions them alone, if the government does not accept that and the house should vote it down, would that action not exclude them from consideration?

Mr. ST. LAURENT: Certainly not. They are included in those who are described in this chapter 43 of the statutes of 1946.

Mr. IRVINE: Yes. But I think the right hon. gentleman did not understand my question. I should think that if this house should vote down the amendment, it would be an instruction to the committee to leave these people out, when they are in already.

Some hon. MEMBERS: No.

Mr. ST. LAURENT: Oh, no. How could that be? The instruction to the committee would be in the terms which are on the order paper, and those terms include all the services which were closely related to the war and for which legislative provisions have already been made and which provisions may or may not be satisfactory. It is a committee to review the whole field of those for whom some legislative provision has been made, so as to

recommend, if there be occasion to do so, modifications to that legislation, and that would cover the whole field. If we started to put in three or four, then I think it would be a logical conclusion that the others who were not enumerated were not intended to be covered by the general language. The purpose of the government in drafting the resolution in these wide terms was to make it open to the committee to hear grievances from all those for whom, since the beginning, there has been any legislative provision made, and to see if those legislative provisions were sufficient or not.

Mr. DEPUTY SPEAKER: In view of what the Secretary of State for External Affairs has said, I am doubtful whether this amendment is in order. As has been pointed out clearly, and it seems to be correct, the amendment is superfluous in that it adds nothing to the resolution. There is a rule that an amendment must either add to or subtract from the resolution. In view of what has been said, I wonder if the hon. member desires to proceed with the resolution or to withdraw it.

Mr. BROOKS: I do not altogether agree, Mr. Speaker, with your statement that it does not add anything to the resolution. As a matter of fact, I do not think the government would be so much concerned if it did not add anything to it. Our object has simply been to place the merchant marine in a position which the government themselves have repeatedly stated they should be placed in; that is, that they were one of the four fighting services of this country. The minister speaks about placing them in the same category as the Red Cross workers, V.A.D. workers, fire fighters and so on. We recognize that these people all performed splendid services. But when we recall that the men of the merchant navy had more casualties than had any other branch of the service—and that has been definitely stated in this house—and that the suffering that these men had to endure was as great as that of those in any other branch of the service, we in the committee felt that these men—

An hon. MEMBER: And their dependents.

Mr. BROOKS: Yes, and their dependents. Many of these men died. They died by the hundreds. In our veterans affairs committee, time and time again members from the other side of the house as well as members from this side felt that these men should be included as one of the fighting branches of the service. Our amendment, Mr. Speaker, is simply to have these men included as one of the fighting services. The amendment would have the resolution read:

> That a select committee be appointed to consider the legislation relating to pensions, treatment and re-establishment of former members of His Majesty's armed forces, including the merchant navy.

Some hon. members have confused this with the next section, which speaks of "other persons who have been otherwise engaged" and so on. We know that will include the merchant marine; we know it will include all the other people the minister has mentioned, but we want the merchant marine included in a different way. We want them included as one of the fighting forces, and that is the reason for our amendment.

Mr. MITCHELL: My hon. friend has just made a speech on a point of order. I am not speaking to the point of order—

Mr. GREEN: Are you on the point of order?

Mr. MITCHELL: No; I am speaking to the resolution.

Mr. DEPUTY SPEAKER: There is a point of order before the house, and I expect only a very limited discussion on it.

Mr. GREEN: I should like to speak to the point of order. The hon. member for Royal (Mr. Brooks) has covered the situation very well, but in addition to the points he has raised there is the further fact that in order to get any benefits the merchant navy must come under two departments, the Department of Transport, which is primarily concerned with them, and the Department of Veterans Affairs. In that respect I think they are different from any other category that would be dealt with by the committee. The hon. member for Royal and I, in moving this amendment, believe it is of the utmost importance that this house should say the men of the merchant navy are to be regarded as the fourth arm of the services. That statement has been made by various ministers. Perhaps it was made by every member of this house who spoke about these people during the war. Certainly we all felt that way, and I do not see why there should be all this objection to having them included in the resolution as the fourth arm of the services. So I suggest to you, Mr. Speaker, that this is a material alteration in the resolution and, therefore, is perfectly in order.

Mr. MITCHELL: Speaking to the point of order; my hon. friend has made the point

that they were the fourth arm of the fighting forces. He is an old soldier; I was in the navy, and we must remember that the relationship between the crown and the air force, the navy and the army is entirely different from its relationship to the merchant marine, not the merchant navy but the merchant marine. The average merchant service man belongs to a trade union.

Mr. GREEN: They were under the manning pool.

Mr. MITCHELL: I did not interrupt you, so just sit quietly for a few minutes and listen to someone who knows what he is talking about. My hon. friend speaks of the fourth arm of the services. That is just a slogan; it is not based on fact. I take second place to no one in this house in paying tribute to the services these men rendered during the war; but you do not have trade union agreements as between the army and the crown. You do not have a trade union agreement between the navy and the crown, or between the air force and the crown. Merchant service men had their trade unions. They were paid on the basis of civilian workers, might I say, there is absolutely no comparison. The whole drift and drive of my hon. friend's argument is to make them an arm of the fighting services. Before you do that, Mr. Speaker, I think the men concerned should be consulted. I believe they are quite prepared to remain as they are; and with all due respect to what has been said by the Secretary of State for External Affairs (Mr. St. Laurent), they have a perfect right to appear before this committee under the resolution moved by the government.

Mr. GREEN: Is this a point of order or a speech?

Mr. MITCHELL: I am speaking to the point of order.

Mr. HARKNESS: What is the point of order?

Mr. MITCHELL: You wouldn't know if I told you.

Mr. DEPUTY SPEAKER: Order. A number of hon. members have spoken to the point of order, and I think they went far afield without being interrupted. I think the Minister of Labour should be allowed to speak without interruption.

Mr. MITCHELL: My hon. friend speaks of the fourth arm of the services. I know something about the fire fighters' organization in this dominion and in the United States, and there would be some force to the argument if they suggested that they were the fourth arm. Or the nurses could quite properly argue that they were the fourth arm, or the A.R.P. workers, or almost any one who was in Europe throughout the blitz, irrespective of the particular government activity in which they were engaged. I think there is absolutely no basis for the argument advanced by the hon. member for Vancouver South, and I believe he should leave the merchant seamen to their own organizations. They are quite prepared and quite capable of taking care of themselves before this committee, under the resolution moved by the government.

Mr. DEPUTY SPEAKER: I must thank hon. members for the assistance they have given me in coming to a conclusion on the point of order. I am sure we all agree with everything that has been said with respect to the merchant seamen, but the question here is one of procedure. Are they now included in the resolution, or, in other words, does the amendment add anything to the resolution? I am satisfied that the amendment adds nothing to the resolution; therefore I must rule it out of order.

Mr. E. D. FULTON (Kamloops): Mr. Speaker, this delightful, remarkable example of co-operation between the C.C.F. and the government rather reminds us of old times, with such carefully framed questions giving rise to such carefully framed answers. The amendment of the official opposition having been ruled out of order, the subject matter before the house is now the resolution proposed by the Minister of Veterans Affairs (Mr. Gregg). Before I go on with my remarks in that regard, I should like to refer to the implication sought to be left this afternoon by the parliamentary assistant to the Minister of Veterans Affairs (Mr. Tucker) that if we take much time in discussing this resolution, and particularly if we ask that the amendments to the Pension Act be sent to the veterans affairs committee, we shall be guilty of obstruction and delay. I would point out that the only time effective action can be taken to increase pensions and veterans allowances this session is when the legislation is before the house; and the best way to get amendments to the government's present proposals is to have those proposals sent to the veterans affairs committee, where they can be discussed and the pros and cons debated. Then, after the various matters are considered in the impartial and constructive manner we hope that will be done, if it can be shown that further increases are justified those increases will be made.

If, on the other hand, we allow the legislation to go through this house virtually without

protest, as we are being invited to do, simply in order to avoid the charge of obstruction and delay, then we shall have lost our chance of actually obtaining increases under the present proposals. It is an old tactic to put poor legislation or inadequate legislation or undesirable proposals before an assembly and then, when objection is taken and it is suggested that the legislation could be improved, to charge the opponents with obstruction, and try to ram it through on that basis. It is a tactic we saw operated time and again under constitutions and types of government we thought were different from our own. That is a tactic which I think should be deplored in this house, especially when it is used in connection with veterans legislation.

Mr. GREGG: May I ask who indicated that the pension bill would not come before the veterans affairs committee?

Mr. FULTON: That was my understanding of the remarks made this afternoon by the parliamentary assistant.

Mr. TUCKER: Just to clear up the point and save time, I said that some people had suggested that, but there is no suggestion that if the house wants it to go to the committee we are setting up there will be any objection in any way.

Mr. FULTON: I have to confess that that was not my understanding of the hon. member's remarks this afternoon and I am glad he has cleared up that point for us. I hope, then, that the government will accede to the request which has been made that the proposed pensions legislation be sent to the veterans affairs committee.

In considering the subject matter of the resolution before us, I think it would be useful to go back to the statements made by the Prime Minister (Mr. Mackenzie King) at the beginning of the session and again on February 16 with regard to the proposed legislation concerning veterans affairs. On December 19, before Christmas, the Prime Minister opened his statement in the house with the following words, to be found on page 489 of *Hansard*:

> Mr. Speaker, the government has for some time been giving careful consideration to the rates of pay of members of the civil service and the armed forces, and the rates of veterans pensions and war veterans allowances. It was recognized that account should be taken of increases in the general level of wages and salaries since the establishment of the existing rates.

I would direct attention particularly to that sentence to the effect that account should be taken of the increases in the general level of wages and salaries. The Prime Minister having made that statement, I think it was to be expected that increases in veterans benefits would actually bear a relation to that other level. But having said that, the Prime Minister announced increases of $10 a month in the case of a 100 per cent pensioner, or 13·3 per cent. I shall give the figures in a moment which show that the increase in the general level of wages has been in the neighbourhood of 65 to 70 per cent. As the hon. member for Nanaimo (Mr. Pearkes) said immediately, it was a tragic and terrible let-down.

Then the Prime Minister made a statement on February 16, in which he admitted that representations had been received from all veteran bodies and that, partly as a result of those representations, further careful consideration had been given to the matter. He went on to add that the legislation was practically completed and he tabled details of the increases to be given. The wording of that statement created the impression of generous treatment, but no specific figures were given at the time. Figures were tabled only.

An examination of the tabled figures shows that the first impression of generous treatment was completely misleading. The increase announced on December 19 was 13·3 per cent for a 100 per cent pension, and the increase announced on February 16 brought it up to 16 per cent for a 100 per cent pension. Certain of the percentages given in the table produced at the time created an erroneous impression, particularly the percentage of increase in the case of married student veterans. The increases to which I shall refer are to be found in the table placed on *Hansard*, but I am reading now from sessional paper 131F of the same day, Monday, February 16, 1948.

From those figures we find that a widow with children used to get $97; she now gets $114, which is an increase of 17·5 per cent. A 100 per cent pensioner with children gets the same increase, 17·5 per cent. It is represented in the table that in the case of student veterans, taking university or vocational training, the increases range up to 50 per cent, but the only justification for that figure is that the allowance is broken down into various categories. Instead of taking the married student and his wife together, the increase for the wife is listed separately and that is shown as an increase of 50 per cent from $20 to $30. When the increases to the student and his wife are taken together they represent an increase of only 12½ per cent. It seems to me that when you are dealing with allowances to married

veterans the only basis that should be used is the family unit. If all the increases given are added together it is found that the average increase for a veteran, wife and children is about 18 per cent. The effective figures for the increases in veterans benefits under this legislation vary between 16 per cent and approximately 20 per cent.

I have obtained Department of Labour statistics showing the increases in the wage rate. I should like to bring again to your attention, Mr. Speaker, the fact that the Prime Minister stated that in a consideration of this matter effect should be given to the general increases in wage rate. If we take the general index for wages as given by the Department of Labour, with a base of 100 for 1939, we find that in 1925 it was 93·8, increasing to 155·2 in 1946, or 61·4 per cent. I am told that during 1947 there has been approximately a 10 per cent additional increase. I am starting with 1925 because that is the year in which the basic rates for pension were established.

Similarly if we take the index for unskilled labour, which I understand was the one used when the scale of pensions was set in 1925, still taking a base of 100 as of 1939, we find that it increased from 92·4 in 1925 to 165·9 in 1946, or a total of 73·5 per cent. Wages have gone up an average of 70 per cent, while the increase in pensions over 1925, even on the most generous estimate, is approximately 20 per cent.

It seems to me that this is another case of letting down the veteran. Some of us feel strongly about this, more strongly than the words we are inclined to use. In my first speech in this house I referred to the matter of letting down the armed forces, and I said I would not refer to it again unless I felt that history was repeating itself and that the lessons of the past were being neglected. I feel that that is taking place. We have the government saying to the veterans that they will give increases which will bear relation to the increases in the general wage rates, but we find that when their action is actually analysed it does not carry out their words, because their words would entitle the veteran to an increase of at least 50 per cent, and their actions give him an average increase of less than 20 per cent. So we see history repeating itself, and we want this matter sent to the veterans affairs committee and the government to suit its action to its word and give the veterans the treatment they deserve.

I want to read an open letter addressed to the Prime Minister from one of the legion branches in my constituency, because it puts the situation in apt and well chosen words. It was an open letter, a copy of which was sent to myself; it appeared in the press, and therefore it may be read to the house. It is dated January 21 and was written before the second announcement of increases on February 16, but the increases covered by this announcement represented only some three per cent, and therefore I have no hesitation in saying that the words in this letter are as applicable after the announcement as they were before. The letter reads as follows:

Dear Mr. Prime Minister:

The members of the branch and all veterans of the district wish to take this opportunity to vigorously protest the manner in which your government is conducting veterans legislation.

At the last special session of the house your government refused to give priority to the business of veterans legislation on the grounds that it was not an urgent matter. This action is beyond all comprehension to us in view of the ever-soaring cost of living even by government index, which is not anywhere near accurate. The failure of your government to increase veterans pensions and widows allowances immediately, is causing extreme hardship and privation.

In order to refresh the memory of your government it is necessary to digress somewhat at this point. Only a few short years ago when the shadow of the swastika threatened to darken the entire civilized world, nearly a million young men and women, without thought for their own private future or safety, without benefit of contract or negotiation, interrupted their lives to take up arms for freedom and democracy. Mr. Prime Minister, the plight in which we find our veterans, their widows and dependents today is not the democracy thousands fought and died for. And until these injustices are remedied we shall not consider the last battle as being over.

With great dismay we now read in the press of your proposed increases in pension rates and widows allowances, which are not only inadequate but insulting. It will do little or nothing to alleviate the suffering of veterans, their widows and children. It will do nothing but prolong their privation and humiliation because their fathers gave their lives for their country. It will do nothing to inspire them to greater things which should be their right. Nor will it, Mr. Prime Minister, gird them to combat the other menace which is again threatening our country from without and within—the hammer and sickle.

In conclusion, Mr. Prime Minister, we wish to repeat that as a veterans organization we shall continue to fight with every rightful means at our disposal until such time as these cruel injustices are rectified.

Yours very truly,
Ashcroft Branch No. 113.
Canadian Legion, B.E.S.L.

That is a sentiment expressed in words which I consider it a privilege and am proud to support.

With respect particularly to the pension and disability benefits to be paid to our war veterans, there are certain suggestions which I should like at this stage to put before the house so that they might in turn go before the committee. I would also request the minister to be kind enough to make some reference to this matter in closing the debate. I have not dreamed up these recommendations myself. They are the result of what careful study I have been able to give to the matter in consultation with veterans organizations. They are an attempt to arrive at a reasonable statement of the opinions of experts whom I have been able to consult.

The first recommendation is that there should be a change in the terminology in the Pension Act from war disability pension to war disability compensation. The reason for that may seem to be a technical one; but it is urged, and I believe there is good ground for it, that by the use of the word "pension" employers are apt to come to the conclusion: This man has a pension; therefore I need give him only a lower paid job. Or when the employer is dispensing with the services of some of his employees he may dispense with the employee who has a disability pension rather than someone who has not a pension; whereas if it were put on the basis of disability compensation the question of the amount of the man's compensation for war disability does not and could not be allowed to enter the question of his wages or salary on receiving employment. On that point I object strongly to a statement made in the magazine issued by the Department of Veterans Affairs itself. In its issue of March 1, 1948, there is an article dealing with "The Disability Preference in Civil Service of Canada", and the article shows just how far astray our attitude to pensions and the effect of pensions has gone. In the article I find this sentence:

> Needless to say the amount of pension awarded is intended to be significant of the candidate's remaining capacity for work.

It seems to me that this sentence reflects the attitude that a pension is a reward for inability to work, based on the loss of the man's earning capacity in the labour market. I am going to suggest that that is a wrong approach, and it is very unfortunate that it should have been allowed to creep into an article in a magazine published by the department itself.

In considering the approach which I think should be placed before the committee in a review of pensions legislation, I would suggest the following: Those who are interested in pensions and veterans affairs generally will agree that the proper basis, and the basis on which I understand the matter was first placed, is that since the war service of the veteran has resulted in disablement, the country owes him compensation in so far as it can make up for the disability he now suffers. Therefore the degree of disability and the degree of pension awarded must bear a real relationship and what must be considered is the actual disability, plus the amount of pain and suffering, plus any psychological as well as physiological handicaps suffered by the veteran. We must attempt to assess the man's disability as a percentage of total disability, not how much less he can earn in the labour market. How much has he lost by his wound? In that way we can assess the percentage of disability.

Then we come to the basic rate of compensation, the money value of the compensation, and that is where the difficulty arises. For that possibly some yardstick must be used, but that rate must surely bear a real relationship to present-day standards. The rate must, as the Prime Minister said, take into account the increase in the general rate of wages. The rate must be the measure of compensation which the country wishes to pay for the disability the veteran has suffered, and surely the country does not wish to pay niggardly compensation but wants to be generous and to have the compensation bear a real relationship to current wage and salary levels. If that is the case, and surely there can be no doubt of it, the demand of the various veterans' associations that the rate for 100 per cent disability should be increased to $100 a month is only reasonable, and is perhaps even underestimating what should be granted.

I suggest, further, that, as in the case of the disability compensation, it must bear a reasonable relationship to present-day standards, so also must widows' compensation and so also must war veterans allowances. In that connection I should like to support what has been said on so many occasions with respect to the extension of the benefits of the War Veterans Allowance Act to imperial veterans. These are now Canadian citizens. They fought in the same war. There is no reason why, after fifteen years' residence in Canada, they should not be entitled to the same benefits.

I should like to suggest that there should be laid before the committee for its consideration the case of the helpless and the introduction of amendments designed to bring the helplessness allowance more into line with the requirements of present-day conditions. I refer particularly to paraplegics and quadraplegics and other totally disabled veterans. Some of them are now in receipt of a helplessness allowance, the maximum of which is $750 a year. That sounds like quite a lot,

until you consider that these helplessly disabled and totally disabled—I am speaking in terms of physical disability, not in terms of earning capacity—have to hire a taxi every time they go downtown. They must pay an extra tip to somebody to put their wheel chair in the back of the car, close the door, and take them out again. Every time they need a haircut or wish to go to a movie they have additional expense, the extent of which is almost beyond our comprehension until we sit down and calculate it with pencil and paper. Besides their possible extra suffering, their psychological suffering, they have expenses all the time. Particularly if they are married we find that what actually happens under the present rate of helplessness allowance is that their wives become their attendants. I am quite certain that no government would ever permit that condition to continue if it were forcibly brought to their attention. The government never intended that the wife should become the 100 per cent full-time attendant of those helpless veterans.

While I am on this subject, I wish to deal briefly with remarks that are frequently made that, while there are some criticisms which might be made of the scale of veterans benefits, still Canada is far and away ahead of anything in any other country. That is not altogether correct, and particularly it is not correct in connection with the matter of helplessness allowances. In New Zealand, for instance—I am basing these figures on a comparative study in the last section of the "veterans charter"—one finds that the helpless allowance is $1,040 a year if it is necessary for the veteran to have an attendant. That is based on the pound at $4. In the United States an attendant is provided; a conveyance is provided free of charge, and pensions up to $3,000 a year may be paid in special cases of disability. Therefore in Canada I suggest that, in the case of helplessness, the 100 per cent allowance should be increased to not less than $100 a month, because if your basic compensation rate is designed to compensate for the degree of a man's disability, his physical and psychological disability and physical and psychological suffering, then, however generous you are in setting your compensation for that suffering, that compensation can only take care of the general case, and the special case of those totally blinded, totally or partly paralysed, double amputees or those in any other ways rendered totally or partly helpless requiring special attention, must be taken care of by an additional and generous helplessness allowance.

These are some of the suggestions that should be placed before the committee. Others would have to do with the case of student veterans, particularly the married student veterans whose increase is only 12½ per cent. There are many things which I should like to say; but in view of the lateness of the hour and the anxiety to conclude tonight, I shall just refer to them in passing. It is well to remember that in the United States, in New Zealand and in Australia student veterans are in receipt of one or both of travelling allowance and an allowance for books. Our student veterans tell me that, in the case of single veterans, if they could receive the book allowance it would help greatly to tide them over the difficulty. As for the married men it cannot be denied that the increase of only 12½ per cent is not an adequate increase in view of the increase in the cost of living and in the general scale of wage rates.

In closing I should like to summarize the matters that I think should be laid before the committee for its consideration. They are as follows: first, a change in the terminology to that of war disability compensation instead of disability pension; second, an increase in the basic rate for 100 per cent disability to at least $100 a month; third, an increase in the rate for total helplessness allowance to at least $100 a month, and in the degrees of helplessness should be included such things as blindness, double amputations as well as para and quadraplegics; a further increase to take care of student veterans; and such other matters as have been previously mentioned, for instance the Veterans Land Act and the veterans living in wartime houses. I would ask the minister if he would do us the courtesy of referring, at least in passing, to these matters before closing the debate.

Mr. L. W. SKEY (Trinity): Mr. Speaker, before I commence my remarks I just wish to say that some of the problems which have been presented in the last five and a half hours have been indeed staggering and show clearly how badly the House of Commons needed to discuss these matters.

At the outset, may I offer briefly my congratulations to the minister on his maiden speech in the house and at the same time to pay my personal tribute to his painstaking assistants in D.V.A. who have performed their duties so conscientiously so far as their mandate permits. May I also say, regardless of party, that I am one who appreciated in full the energy and application of the former minister and his great service to the war veterans of Canada. I appreciated the im-

mediate action which always was taken on the problems sent to him by veterans and other members of the house.

There is no need for me to refer to the fact that this committee and this resolution should have been called earlier. That has been ably dealt with by my colleagues. The few minutes that I shall take can certainly not delay the setting up of this committee and the veterans benefits which I hope will accrue from it. When the government finished the work of the 1946 committee it had not completed its job. The committee had gone as far as it was permitted to go, and it is my belief that it should have been permitted to meet again in 1947. However, in 1948 we find the situation doubly aggravated, not so much by what the government would not permit us to do in 1946, but more so by the government's financial policy which has resulted in inflation and rising prices. On top of this financial policy followed the embargoes which caused further scarcity with still higher prices. All these things have their tremendous effect on pensions, allowances, benefits and dependents allowances. Those living on them have been affected most grievously. It is not now a case of the cost of living with these people; it is a case of the cost of keeping alive, and those on fixed incomes, as every member of this house knows, are without protection against this tremendous rise in prices.

Let me briefly cite some of the people who have written to me, to show the uniformity of their complaints. The Native Sons of Canada have written calling attention to the effects of the rising cost of living and have also described Canada's pension debt as a debt of honour to the veterans. The war amputations' association has also written. I will say no more, but I endorse the remarks of my hon. friend, the member for Kamloops (Mr. Fulton), with regard to their just case. I have had two letters from Christie Street hospital calling attention to the housing difficulties of veterans and the tremendous rise in the cost of living and the difficulties it has brought about. I have received a signed letter on how to starve on $30 a month and a budget is laid out therein. I have had an unsigned letter from a homeless widow showing her dire plight, with the rising cost of living and the difficult housing situation. From the Victoria College Union I have received a letter calling attention to the severe financial difficulties of both single and married students. The ex-service committee of students administrative council of the national council of student veterans have written to call attention to the same thing and to point out how their education is being jeopardized. Branch No. 455 of the Canadian Legion at the University of Toronto has also stated the same thing. I have a full brief from the national council of veterans' association in Canada covering the whole situation and making recommendations. There can be no doubt that their brief and the Canadian Legion's recommendations should be endorsed. All veterans' organizations should be called on now to send their briefs to Ottawa so that our committee may arrange for their priority in appearance before it.

There are certain other immediate considerations which have to do in one instance with hospital allowances. If you can imagine a veteran in a hospital receiving $10 a month for incidental expenses, it is not necessary for me to describe the hardships he suffers, unable to buy even the smallest of personal comforts with this very meagre amount of money.

Then there is the length of time which pension appeals take. This in my opinion should be drastically reduced, and with it we should also consider the stabilization of the world war pensions at fixed levels after they have been paid for a certain fixed period of time.

Student veterans have also asked for a uniform interpretation of the students loan legislation across Canada. They ask that loans be underwritten by the Department of Veterans Affairs; that special loans be granted to those whose benefits have expired, and also that there be a student representative on the board.

I think you will agree, Mr. Speaker, that these are all reasonable requests. The single student veteran is in no less a plight than the married veteran, and he or she requires the same or the equivalent of any additional allowance that may be granted to married veterans. In many cases they have courses which require their full time. As you know, Mr. Speaker, the science courses require long hours of laboratory work and they have, of course, their other long hours of additional study.

I should like briefly to endorse what has been said by many others on this side of the house concerning both pensions and allowances, concerning merchant seamen, the means test for veterans allowances, the operation of the Veterans Land Act, a permanent veterans committee, ferry command veterans, fire fighters, war amputations cases and the many other classes of veterans or near veterans to whom the Secretary of State for External Affairs (Mr. St. Laurent) called attention a few moments ago, including the R.C.M.P. special constables, A.R.P. workers, St. John

Ambulance, overseas welfare organizations, veterans of allied forces, Wrens, South African nurses and many others.

But there are two cases which I particularly wish to refer to, and they are, first, the case of the Red Cross overseas veterans. The Red Cross, as you know, goes on into the peace. It is an organization that never stops. These girls who went overseas, in many cases at considerable cost to themselves, have received no benefits at all for their great service in world war II, and I feel that benefits for them should be given special consideration by our committee.

The hon. member for Broadview (Mr. Church) has already called attention to the second case I want to mention, which is that of the Hong Kong veterans who have been denied the Pacific pay which they, above all others, so justly earned. I consider it scandalous that they have not received the allowances due to them.

I close within the time limit which the minister asked, by saying I hope that we can meet immediately this resolution is passed and that we can agree to the wide reforms which are necessary. I hope that we shall operate swiftly in the interest of our fellow-Canadian ex-service men.

Mr. D. S. HARKNESS (Calgary East): I do not wish to delay the passage of the resolution and I will take just one minute on behalf of the many veterans and veterans' organizations in Calgary that have asked me to take part in the debate. I should like to call the attention of the minister to the fact that the feeling there was universal that the increases announced by the government were completely inadequate.

The veterans and their organizations in Calgary consider that the disability pensions, the pensions to widows and the war veterans allowance must be increased. The veterans' organizations there are particularly concerned over the situation of the older veterans, their difficulty in getting employment, the level of war veterans allowance, and the allowance under that act to dual war service men.

I should like particularly to ask the minister to give consideration to these men. In the coming years they will be the ones who will need and must have increased pensions if they are to get by. All the veterans with whom I have spoken at home have looked for great things from this committee, and I trust that the committee will not disappoint them and that the implementing of the committee's recommendations by the government will be forthcoming rapidly.

Hon. MILTON F. GREGG (Minister of Veterans Affairs): Mr. Speaker, I should like to say, first of all, how much I appreciate the fact that members of the house have made it possible to look forward to having this committee set up before adjournment tonight. I know hon. members will not expect me to cover the many points raised this afternoon and evening. It would be unfair to attempt to do so. I assure hon. members, however, that I have listened carefully, and the record of *Hansard* will be studied and the points brought forward will be submitted to the committee.

In one or two cases I was requested to deal with some particular matter tonight. The hon. member for Kamloops (Mr. Fulton) brought up certain points. I have already studied them, because they have been represented to me by veterans' organizations, and since these matters, I anticipate, will come before the committee, I think it would be wrong for me to deal with them at this late hour.

There is one point, however, with which I should like to deal, and that is the matter as to whether the bill for the increase in pensions, which is No. 18 on the order paper, should or will come before this select committee. If this resolution passes now, Mr. Speaker, and I stop talking soon, it is my intention to ask for the unanimous consent of the house to move No. 18 up one or two stages so that it may perhaps come forward to the select committee during the next day or two. That is the answer to that question. I shall be glad to have this bill come before the committee on veterans affairs if it can be so arranged.

I do not intend to add any more, except one point which five or six speakers mentioned, and that was regarding veteran students. I should like to make this point, that the recent increase was an increase to help married students take care of their families. The federal scholarship, namely, the tuition which is what it costs to pay the bill at the university and the living allowance for the veteran as a veteran was not changed. The tuition was whatever the university charged the veteran student, plus $60 a month, and so it remains. The increase was to assist in taking care of wife, children, mother and father if the veteran has them as dependents. I just wanted to make that point clear.

Motion (Mr. Gregg) agreed to.

Mr. SPEAKER: Has the minister the unanimous consent of the house to proceed with the resolution he mentioned?

Mr. GREEN: What about orders of the day?

Mr. BRACKEN: Have orders of the day been called yet, Mr. Speaker?

Mr. SPEAKER: No, I have not yet called the orders of the day. That is why I asked the hon. members of the house if they gave the minister unanimous consent to proceed with the resolution. If it is the desire of hon. members, I can call the orders of the day.

Mr. MacINNIS: If you are going to do that, Mr. Speaker, I think you would have to move this order forward so that we could reach it. I do not think that we can jump to it in this way.

EXPORT-IMPORT BANK

INQUIRY WITH RESPECT TO DRAWING $50,000,000 AGAINST $300,000,000 LOAN

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): I hoped this afternoon to direct a question to the Minister of Finance (Mr. Abbott). He was not in his place then and he is not in his place now. Perhaps someone will take note of this question and have it answered; if the answer is not ready now, I should like to have it answered as soon as possible.

In view of the report over the week end that Canada has drawn $50,000,000 against the $300 million loan negotiated by this government with the Reconstruction Finance Corporation of the United States, is the minister in a position to confirm this report? If so, is there any change in our dollar reserve situation of which the house is not aware that makes such an advance necessary at this time?

I am sorry the minister is not here at present. If the answer has been given to no one else, perhaps it can be given to me.

Mr. KIDD: Here is the Prime Minister (Mr. Mackenzie King) coming in now.

Hon. COLIN GIBSON (Secretary of State): I shall be glad to bring that question to the attention of the Minister of Finance and see that the leader of the opposition gets a reply when it is available.

Mr. BRACKEN: I see the Minister of Finance now in the house. I wonder if the question I asked earlier has been referred to him, and if he has an answer to it now.

Hon. DOUGLAS ABBOTT (Minister of Finance): No. What was the question? Perhaps I can answer it.

[Mr. Speaker.]

Mr. BRACKEN: In view of a report over the week end that Canada has drawn $50,000,000 against the $300,000,000 loan negotiated by this government with the Reconstruction Finance Corporation of the United States, is the minister in a position to confirm this report? If so, is there any change in our dollar reserve situation of which the house is not aware that made such an advance necessary at this time?

Mr. ABBOTT: There is no change in our dollar situation which made the advance necessary. We shall be drawing on the loan from the export-import bank at fairly regular intervals over the next five or eight months, I think. Our exchange reserves, at $500,000,000 odd, are very much less than they should be and very much lower than I would like to see them. This advance is one of a series which I anticipate will be taken over in the next few months.

Mr. BRACKEN: An advance has been made of $50,000,000, then?

Mr. ABBOTT: That is correct.

UNEMPLOYMENT INSURANCE

REFUSAL TO PAY BENEFITS TO PERSONS RECEIVING VACATION PAY

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I should like to direct a question to the Minister of Labour. Can he inform the house if the unemployment insurance commission is refusing to pay unemployment insurance benefits to persons who receive annual vacation pay at time of termination of employment until the period covered by the vacation pay has expired? If this is the case, can the minister tell the house under what authority it is done?

Hon. HUMPHREY MITCHELL (Minister of Labour): The unemployment insurance commission does refuse to pay any unemployment insurance benefits to a person while he or she is on retirement leave with pay. Authority for that is given by section 29 (1) (a) of the Unemployment Insurance Act which reads as follows:

> 29. (1) An insured person shall be deemed not to be unemployed
>
> (a) during any period for which notwithstanding that his employment has terminated, he continues to receive
>
> (i) remuneration . . .

It has come to my attention that in some instances civil servants retire with six months full pay and allowances. The view taken by

the commission, and I think it is a sound one, is that actually they are receiving their full remuneration during that period and are not unemployed within the terms of the act.

The other point raised by my hon. friend is this. In many provinces in Canada, certain stipulated vacations with pay are allowed by law, and some by trade union agreements. I agree with the commission that, where a person is receiving full pay for holidays under the law or by agreement with the employer, within the terms of the act he is employed and is not entitled to benefits under the scheme. Then, of course, there is the over-riding factor that all have the right to appeal to a board of referees in whatever district they belong, this board being composed of an impartial chairman, representatives of the trade unions or workers and the employers' organization. I hope that is the answer my hon. friend wanted.

Mr. MacINNIS: I wish to ask a supplementary question and I should like the minister to look into this matter a little further. A person is not supposed to be working when he is receiving vacation pay. Would the minister try to ascertain how it can be assumed that he is either on retirement pay or that this is in lieu of any other remuneration that he could receive? This is vacation pay, and he is not supposed to be working when he is getting his vacation pay.

Mr. MITCHELL: I will answer that immediately. I think, when a person is receiving full pay for holidays, he does not come within the terms of the act. I think that is sound and reasonable. To say that he should is, I think, stretching it a little bit too far.

PENSION ACT

RATES OF PENSION FOR DISABILITY AND DEATH—SALARIES OF PENSION COMMISSIONERS

Hon. MILTON F. GREGG (Minister of Veterans Affairs) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to amend the Pension Act to provide for increases in the rates of pension for disability and for death under the act, and to provide an increase in salary for the members of the Canadian pension commission.

Motion agreed to and the house went into committee, Mr. Golding in the chair.

Resolution reported, read the second time and concurred in.

Mr. GREGG thereupon moved for leave to introduce Bill No. 126, to amend the Pension Act.

Motion agreed to and bill read the first time.

Mr. SPEAKER: When shall said bill be read the second time?

Some hon. MEMBERS: Next sitting.

Some hon. MEMBERS: Now.

Mr. SPEAKER: Now?

Mr. BRACKEN: I think hon. members should see the bill before we are asked to give it second reading. We would be prepared to proceed with it as soon as possible after the bill is distributed.

Mr. SPEAKER: Next sitting of the house. Mr. Mackenzie King moves the adjournment of the house.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Friday, March 5, consideration of the motion of Mr. J. A. Dion for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. E. D. FULTON (Kamloops): My understanding of the situation, Mr. Speaker, is that the various amendments have now been disposed of and that the house is now considering the address itself. In the few moments that remain at my disposal tonight I should like to revert to a suggestion made in all seriousness during the course of the debate, to which as yet the ministry has made no reply nor has it given any indication of its attitude. I refer to the suggestion that there should be an immediate statement on the part of Canada as to her foreign policy, particularly with respect to recent and current events in Europe. I refer also to the request made by members on this side, particularly the hon. member for Stanstead (Mr. Hackett) and the hon. member for Peel (Mr. Graydon), for a debate on foreign affairs. There has not been a reply either to the suggestion made in the course of the throne speech debate or to the request made on the orders of the day; nor has there been any indication as to the attitude of the government. Since we think this matter is so important; since we think it is one of the most important questions facing the coutry and the world at the moment, we consider it essential to take this opportunity to introduce a discussion of foreign affairs.

If it is the wish of the house I can continue until eleven o'clock; but, if not, I would

appreciate it if I might be allowed to call it eleven o'clock and move the adjournment of the debate.

Mr. NICHOLSON: Mr. Speaker, I thought the Prime Minister moved the adjournment of the house some time ago. I understood that was the motion before the house. Did he not move that?

Some hon. MEMBERS: No.

Mr. SPEAKER: Mr. Fulton moves that the debate be now adjourned.

Mr. NICHOLSON: Did not Your Honour some time ago announce that the Prime Minister had moved the adjournment of the house? We cannot hear very well down here. On Friday night I moved the adjournment of the debate on the address.

Mr. SPEAKER: I am very sorry. I understood that the Prime Minister wanted to move the adjournment of the house. I put the motion, and then realized it was not the intention to have the house adjourn, so the assistant clerk called the special order. The hon. member for Kamloops rose, and I permitted him to proceed. He has moved the adjournment of the debate, so I have no other choice than to put the motion.

Mr. NICHOLSON: Does that mean I have lost my right to speak?

Mr. POULIOT: I rise to a point of order. I may be mistaken, but I do not see anything on the orders of the day about the debate on the address. If it is not on the orders of the day, how can the debate be adjourned?

Mr. SPEAKER: The hon. member will find it on page 37 of the orders of the day, under the special order.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. BRACKEN: Would the Prime Minister indicate the business for tomorrow?

Mr. MACKENZIE KING: Tomorrow we shall continue with the debate on the address, which comes under the special order. If and when it is concluded we shall continue in ways and means with the excise measures under the emergency legislation.

Mr. GREEN: Will there be private bills tomorrow evening?

Mr. MACKENZIE KING: Not tomorrow night; Friday night.

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

HOUSE OF COMMONS

Tuesday, March 9, 1948

The house met at three o'clock.

WHEAT

ANNOUNCEMENT OF INTERNATIONAL AGREEMENT —STATEMENT OF BASIC TERMS

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, a day or two ago a statement appeared in the press and I believe a release was made by the Department of Trade and Commerce with respect to an international wheat agreement. Might I ask the Minister of Trade and Commerce if he expects to make any statement to the house with respect to that agreement?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Mr. Speaker, the public announcement came on a Saturday at noon and I felt that the logical step would be to follow the practice in the United States and make the announcement through a press release. I would be pleased to put a statement on *Hansard* tomorrow. I had a statement here yesterday which I expected to put on *Hansard* but I am sorry I have not got it here today.

Mr. BRACKEN: Will the minister make a statement tomorrow?

Mr. HOWE: I will, yes.

[*Later:*]

On the orders of the day:

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Mr. Speaker, I find that I can now comply with the request of the leader of the opposition that I make a statement on the wheat agreement.

Agreement has been reached among the representatives of thirty-six countries on the terms of an international wheat agreement, which was opened for signature in Washington last Saturday. The agreement is in the nature of a multilateral bulk contract and contains the following basic terms:

1. Operation for a period of five crop years, commencing August 1, 1948.

2. Prices on specified quantities to be within the following price ranges, basis No. 1 Manitoba wheat in store Fort William-Port Arthur:

1948-49	$2.00-$1.50
1949-50	2.00- 1.40
1950-51	2.00- 1.30
1951-52	2.00- 1.20
1952-53	2.00- 1.10

Equivalent prices are to be fixed on wheat in other locations and in other countries.

3. Canada, United States and Australia, the three exporting countries party to the agreement, collectively undertake to sell 500 million bushels of wheat to the thirty-three importing countries if required by those countries at the ceiling prices. Canada's share in the 500 million bushels is 230 million bushels, the United States' share 185 million bushels, and the Australian share 85 million bushels. The importing countries in return collectively undertake to purchase 500 million bushels of wheat each crop year from the three exporting countries if the latter desire a market for that quantity at the floor prices provided in the agreement. These quantities include flour in terms of wheat.

4. Provision is made for the negotiation of narrower price ranges in the third, fourth and fifth years of the agreement if mutually acceptable to the exporting and importing countries; otherwise the floors and ceilings as stated above for these years will prevail.

5. The importing countries and the quantities they undertake to purchase at the floor prices and have the right to buy at the ceilings, are as follows, in thousands of bushels.

Afghanistan	735
Austria	18,739
Belgium	23,883
Brazil	19,290
China	14,697
Colombia	2,205
Cuba	8,267
Czechoslovakia	1,102
Denmark	1,470
Dominican republic	735
Ecuador	1,102
Egypt	6,981
French union and Saar	35,824
Greece	18,739
Guatemala	367
India	27,557

Ireland	13,227
Italy	36,743
Lebanon	2,756
Liberia	37
Mexico	7,349
Netherlands	30,680
New Zealand	5,511
Norway	7,532
Peru	4,042
Philippines	6,246
Poland	1,102
Portugal	4,409
South Africa	6,430
Sweden	2,756
Switzerland	7,349
United Kingdom	179,930
Venezuela	2,205

The quantity for the United Kingdom includes requirement for British territories such as Newfoundland and the British West Indies. I would point out that the three exporting countries in return for selling 500 million bushels of wheat annually at prices not above $2 over the next five years have secured international floor price protection for their producers over the same period. Canada's quantity of 230 million bushels represents her total normal exportable surplus. The importing countries in return for guaranteeing floor prices had assured themselves fixed supplies at prices not over $2. Although Argentina and the U.S.S.R. are not parties to the agreement, whatever wheat transactions take place between these exporters and the signatory importers must be in addition to the importers' undertakings within the agreement. Canada, the United States and Australia remain free to sell any additional quantities they may have for sale outside the terms of the agreement. By balancing the interests of both producing countries and consuming countries in an agreement covering the bulk of the world's trade in wheat, the agreement represents a major development in international economic co-operation.

Mr. BRACKEN: I have one suggestion to make and two or three questions to direct to the minister arising out of his statement with respect to the agreement. When can the minister let the house see a copy of the details of the agreement? I would suggest that it be tabled.

Mr. HOWE: Yes, I shall be glad to table the agreement as soon as I receive a copy. My hon. friend will understand that while it has been initialled by the thirty-three countries, it is open for formal signature until June 1.

Mr. COLDWELL: May I ask a supplementary question? Will this agreement be placed before the house for ratification?

[Mr. Howe.]

Mr. HOWE: I would think that that would be the procedure. The government has initialled the agreement, and I think before it is formally signed it will be placed before the house for ratification.

Mr. BRACKEN: The minister has partly answered one question that I had intended to raise. I understand that the agreement has been signed by an official representing Canada, but not by the government. Does the fact that he has signed the agreement carry the approval of the government to the agreement? There are two other questions I wish to ask. Can the minister say what progress, if any, has been made towards getting Argentina and the U.S.S.R. into this arrangement? And will this agreement make necessary a review of the United Kingdom wheat agreement?

Mr. HOWE: In reply to the first question, as to whether initialling by a government official has the approval of the government, the government duly authorized the official to initial the agreement as representative of the government.

Mr. BRACKEN: Then it does carry the approval of the government?

Mr. HOWE: Yes. The second question was whether Argentina and Soviet Russia have been approached. No. They declared their lack of interest in the agreement a year ago and that has been accepted. What was the third question?

Mr. BRACKEN: Will this make necessary a review of the United Kingdom wheat agreement?

Mr. HOWE: Yes. That is proceeding. Discussions are taking place at the present time—not a review, but certain adjustments.

Mr. ARGUE: May I ask the minister a supplementary question? Is the price yet to be negotiated under the United Kingdom wheat agreement for the 1949 crop to be limited by the $2 per bushel ceiling in the international agreement?

Mr. HOWE: The agreement was initialled subject to an understanding with the United Kingdom that the initialling of the agreement would be without prejudice to the settlement of the present United Kingdom-Canada wheat agreement. Discussions that will lead to a settlement or a basis for settlement are now proceeding.

Mr. FAIR: May I ask the Minister of Trade and Commerce whether the $2 ceiling on wheat will remain in effect regardless of the cost of production of that wheat?

Mr. HOWE: If the five-year agreement is implemented, the ceiling price will be $2 for the five years.

Mr. COLDWELL: On the external market. That would not prevent Canada from doing something internally to assist the farmers?

Mr. HOWE: We undertake to deliver to the signatory countries wheat at $2 a bushel.

Mr. COLDWELL: And will the government consider making compensatory adjustments if necessary?

IMMIGRATION

INQUIRY AS TO POLICY WITH RESPECT TO COMMUNISTS

On the orders of the day:

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I wish to direct a question to the minister in charge of immigration, who I see is not here, but perhaps it might be answered by the Secretary of State for External Affairs. I realize that they may not want to answer it today but I would ask that a statement be made shortly. We have all read in the press recently of certain steps that may or may not be taken to exclude communists at our ports of entry, the last one, of course, being with respect to Mr. Harry Pollitt, which I think appeared in yesterday's papers. There has been no statement of government policy with respect to the matter. Would one of the ministers please enlighten the house tomorrow as to whether anything has been done, and if so what, with respect to that subject?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, I hope that the Minister of Immigration (Mr. Glen), who has been absent on official duties meeting displaced persons, will be back tomorrow, and I will bring the matter to his attention immediately upon his return.

QUESTION AS TO MOVEMENT OF IMMIGRANTS FROM NORMANDY

Mr. EUGENE MARQUIS (Kamouraska): I wish to direct a question to the Minister of Labour. Is it true that about 5,000 immigrants from Normandy, France, are supposed to come to Canada? And, as a supplementary question, did that movement originate in France or in Canada?

Hon. HUMPHREY MITCHELL (Minister of Labour): I know nothing about the numbers involved. Correspondence has been exchanged, not on the ministerial level but between the deputy minister of labour for the province of Quebec and my deputy minister, who is chairman of a subcommittee on immigration. That is as far as I can say. The request, I understand, has to come from an organization in Normandy, making inquiries with reference to the possibility of the emigration to this country of people in that area.

(Translation):

PRIVILEGE

MR. VIAU—REFERENCE TO REPORT IN "LE DEVOIR" OF MONTREAL IN CONNECTION WITH THE DEBATE OF MARCH 2

Mr. FERNAND VIAU (St. Boniface): Mr. Speaker, I rise to a question of privilege. There appears on page 9 of the Monday, March 8 issue of *Le Devoir* an item entitled "The Francophobe Liberals of British Columbia," which is a report of the debate of last Tuesday night and the interruptions from the hon. members for Fraser Valley (Mr. Cruickshank) and Vancouver-North (Mr. Sinclair) during the speech delivered by the hon. member for St. Maurice-Lafleche (Mr. Hamel). In the seventh paragraph, which I am going to read, the following mention is made of my name:

On his part, Mr. Cruickshank was persistently twitching his lips in an effort to shout "Taisez-vous!" His prompter was Mr. Fernand Viau, member for St. Boniface, who was handing him notes indicating the meaning of Mr. Hamel's remarks and suggesting interruptions in French. At a certain stage, Mr. Cruickshank even got up to say with remarkable self-assurance that since the member for St. Maurice-Lafleche did not understand English—

Mr. SPEAKER: Order. I suggest to the hon. member that he should not read the whole article.

Mr. VIAU: I have just one short paragraph to read, Mr. Speaker.

—he would call on him in French to observe the rules of the house. However, Mr. Cruickshank did not succeed in reading intelligibly the text prepared by Mr. Viau.

Mr. Speaker, the reference to the member for St. Boniface which is made in that report is wrong, and I ask the correspondent for *Le Devoir* to be kind enough to withdraw that falsehood and, in the future, to obtain accurate information before making such statements.

(Text):

BEEF

QUESTION OF NUMBER IN FEED LOTS DURING 1948-49

Mr. J. H. BLACKMORE (Lethbridge): I should like to direct a question to the Minister of Trade and Commerce. Will the minister tell the house tomorrow whether or not he desires that in western Canada there

shall be as many beef in the feed lots during the year 1948-49 as there are during the year 1947-48?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Mr. Speaker, I can answer that question today. The answer is yes.

Mr. BLACKMORE: May I ask a supplementary question of the minister? Is he prepared to recommend to the government such measures as will ensure that that state of affairs shall obtain in western Canada?

Mr. HOWE: That is my constant objective.

NAVAL SERVICES

REPLACING OF CARRIER "WARRIOR" BY "MAGNIFICENT"

On the orders of the day:

Mr. G. R. PEARKES (Nanaimo): Will the Minister of National Defence say when the new aircraft carrier *Magnificent* will be available to replace H.M.C.S. *Warrior* in Canadian waters?

Hon. BROOKE CLAXTON (Minister of National Defence): Some time during the summer.

CANCER

INQUIRY AS TO REPUTED CURE BY JOHN BRAUND OF AUSTRALIA

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to direct a question to the Minister of National Health and Welfare on behalf of the many sufferers from cancer. Has his attention been drawn to the claim made by John Braund, of Australia, to whom patients are flocking, including three who left Vancouver a short time ago, to be cured of that terrible disease? Is he and his department aware of the claim and are they investigating it on behalf of those in Canada who are suffering?

Hon. PAUL MARTIN (Minister of National Health and Welfare): Mr. Speaker, the Department of National Health and Welfare, when it first learned of the alleged Braund cure, sent inquiries at once to the government of New South Wales. The government of New South Wales has advised that an expert committee of inquiry has been set up and is now in the course of investigating the alleged Braund treatment. I have in my hands a cable received on Saturday last, which in part reads as follows:

Expert committee now investigating. Strongly recommend against patients coming here at present.

(Signed) Morris,
Chairman Investigating Committee.

TOURIST INDUSTRY

REPORTS OF DOMINION-PROVINCIAL CONFERENCES, 1946 AND 1947.

On the orders of the day:

Mr. DONALD M. FLEMING (Eglinton): Last Wednesday the Minister of Trade and Commerce tabled in the house reports of the dominion-provincial conferences on tourist traffic held in October 1946 and October 1947. May I ask if these reports are to be printed for circulation among members?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): The reports that I tabled are printed. There are plenty of copies available if any member cares to apply for one.

FLAXSEED

QUESTION AS TO ANNOUNCEMENT OF PRICE FOR 1948

On the orders of the day:

Mr. J. A. ROSS (Souris): I should like to direct a question to the Minister of Trade and Commerce. Many farmers are anxious to complete arrangements for seeding for the coming spring. Is it the intention of the government to set a price on flaxseed for 1948? If so, when can the farmers expect an announcement?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): I think I can promise that a price for flax will be set at least as soon as the house authorizes the government to pay the participation certificate on the present wheat contract.

Mr. HOMUTH: Aren't you happy you got into agriculture?

FISHERIES

PARLIAMENTARY RESTAURANT—CISCOES AND WINNIPEG GOLDEYE

On the orders of the day:

Mr. A. L. SMITH (Calgary West): I have a question to ask the Minister of Fisheries. I have been looking for an opportunity. Are those Winnipeg ciscoes we get in the parliamentary restaurant the same fish as the old Winnipeg goldeye?

Hon. J. A. MacKINNON (Minister of Fisheries): Mr. Speaker, to the best of my knowledge they are not, but I may say for the information of the hon. member that at the present time plans are under way to tap a prolific source in the west from which to bring in Winnipeg goldeye.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Monday, March 8, consideration of the motion of Mr. J. A. Dion for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. FULTON: Mr. Speaker, I rise on a question of order and a question of privilege. Last night when I rose to speak on the address in reply there was some confusion in the chamber and I find that as a result of that confusion the hon. member for Mackenzie (Mr. Nicholson) had not realized that the order for the debate on the address had been called. He had moved the adjournment of the debate on Friday night. After waiting for a moment yesterday and seeing that no member rose, I rose to speak on the address. The result is that I have taken the place of the hon. member for Mackenzie, something I had no intention of doing. As he has lost his place as a result of the confusion, I would appreciate it if the house would give unanimous consent for him to take my place in the debate at this time.

Mr. ST. LAURENT: I think the house will appreciate the gesture of the hon. member who has taken his seat and will be only too happy to give unanimous consent to repair the effect of the error that was made.

Mr. MacINNIS: One point: I hope we are taking into consideration protection for the hon. member for Kamloops as well.

Mr. ST. LAURENT: Oh, yes.

Mr. A. M. NICHOLSON (Mackenzie): I must thank the hon. member for Kamloops (Mr. Fulton) for his generous gesture in permitting me to conclude my remarks. I also appreciate the spirit of the house in granting me unanimous consent to continue, and in view of the fact that this debate has carried on for a long while I will co-operate in bringing my remarks to an end as quickly as possible.

On Friday night I mentioned that my reason for participating in the debate at this stage was to protest against the policy of the government as far as it affected commercial rentals. It is my opinion that, in view of the fact that a committee is investigating the causes of the rise in the cost of living, it should have studied the whole question of commercial rentals and reached some conclusion as to whether or not the landlords were having difficulty in meeting their commitments and whether the policy should be changed.

I find in the *Globe and Mail* of Saturday, March 6, an article as follows:

> Fear that small businesses will be injured or destroyed, particularly those launched in recent years by ex-servicemen as a result of rent increases and despite the protection of appeal to the courts, was expressed last night by W. Probert, director and past president of the retail merchants association, Toronto division.

I realize that the Minister of Finance mentioned on Friday that P.C. 9029 would still hold, and that consideration would be given cases where rents charged were higher than might be considered reasonable or just. But it will be extremely difficult to decide whether rentals are higher than what might be considered reasonable or just. I want to emphasize further that it will be extremely difficult for the rentals control division of the wartime prices and trade board to deal with complaints that might come to them. On February 3 one of my constituents wrote to me complaining about the prices of food in local stores as compared with the prices in Winnipeg and Saskatoon. The local price for strawberry jam, he said, was $1.15 to $1.20 as compared with 95 cents in Winnipeg and 95 cents in Saskatoon. Canned soups were 12 cents to 17 cents a tin locally as compared with 7 cents to 8 cents in Winnipeg and Saskatoon; Blue Ribbon tea was $1.15 as compared with 85 cents in Winnipeg and Saskatoon; canned milk was 16 cents a tin as compared with 14 cents in Winnipeg and Saskatoon. I brought the matter to the attention of the wartime prices and trade board, and I now have a report. I want to commend the board for dealing with the case so promptly, but a month has elapsed; and if my friend had not written to me by air mail and had not brought the matter to my attention in concise form, it is doubtful if the complaints would have been brought to the attention of the authorities. The report from the board states that there are eight food stores in the town concerned; and it reads in part as follows:

> In store No. 1, 13 items were found to be over, ranging from 1 cent to 5 cents, the 5-cent overage being Clark's mushroom soup, 10-ounce size, which should have sold for 10 cents and which was priced 15 cents.
>
> Store No. 2 was found to have 9 items over, overages ranging from 1 cent to 5 cents, the 5-cent item being the same as store No. 1.

Store No. 3, was found to have 10 items over, overages ranging from 1 cent to 7 cents.

Store No. 4 revealed 12 items over, ranging from 1 cent to 13 cents.

Store No. 5, 2 items only were over, both 1 cent.

Store No. 6 had 10 items over, ranging from 1 cent to 10 cents.

Store No. 7 was found to have 10 items over, ranging from 1 cent to 4 cents.

Store No. 8 had 22 items over, ranging from 1 cent to 5 cents.

The comments are of interest and are in part as follows:

Our investigator reports that the merchants adopted a rather independent attitude until he pointed out that certain of their merchandise was still under control and that the board held that it was just as serious to violate its orders today as it was at any time during the years of the war. These merchants, either by intent or accident, claimed that they were not completely familiar with what merchandise was still under board control. Our investigator rather came to the conclusion that these merchants generally were taking what the traffic would bear, feeling perhaps that they were a long way from board investigators, more particularly during the winter months.

The investigator expressed the hope that the merchants, after having the matter brought to their attention, would co-operate and bring their prices in line with the prices they should have been charging.

I think hon. members will appreciate the local resentment there is if a person has to pay 15 cents for a commodity that should be selling locally at 10 cents to give the local merchant the necessary spread to cover rent, taxes, wages and all the other items. It will be extremely difficult to check on the individual cases where commercial rents are to be increased across the country. In the United States a year ago there were two interesting hearings in connection with rent control. The senate committee heard a great many witnesses. I should like to mention particularly some of the evidence given by J. B. Carey, secretary of the Congress of Industrial Organizations. He drew attention to the fact that representatives of the landlords were there and tried to present a case for the removal of these controls, but he reminded the committee of what happened during the ten-day period between July 1 and July 9, when 3,500 rent increases were given and 1,395 eviction notices were reported in Kansas City alone, and three out of ten of these cases showed rent increases of more than fifty per cent. Mr. Carey submitted documentary evidence to show that between 1939 and June 30, 1946, landlords' net operating income from residential rents had gone up from 35 to 40 per cent, but rents from commercials had gone up by 120 per cent.

[Mr. Nicholson.]

Before the committee on banking and currency of the house of representatives the late Mayor LaGuardia of New York gave some interesting evidence. He said:

Gentlemen, I want to appeal to this committee with all the earnestness I can muster to continue rent controls, unhampered and unrestricted, for at least another year . . .

It is absolutely necessary to do three things. One, preference to the veterans must be continued, and I will tell you why in just a moment. Secondly, we should not remove but enlarge the present provisions on priorities and absolutely restrict the use of any building material for any other purpose, except emergency repairs, until 1,500,000 dwelling units will have been constructed. . . .

Why should we have preference for the veterans? I think the gentleman here on the right said there were 14,000,000 veterans. They are the largest group of young families in our country. Most of them were married during the housing shortage. The greater percentage of the veterans' families have never had their own home, and certainly never had a proper, decent, sanitary, cheerful place to live in.

They are becoming discouraged, demoralized. They are splitting up. The birth rate is going down. You cannot ignore these conditions, gentlemen. All the talk of the chambers of commerce and the real estate boards and the landlords is not going to cure the situation. They are concerned with returns. We are concerned with the happiness of the American family. . . .

I was very much amused by my neighbour, just a moment ago. He asked for a 15 per cent increase. But, he says: "Give the veterans an exemption. It wouldn't apply to them." We would have our veterans sleeping in the park.

Point to one landlord—just one, that is all I ask—who has a choice between a 15 per cent increase from a non-veteran and a 15 per cent less rent from a veteran who would give the preference to the veteran. Show me one. . . .

Gentlemen, did you ever go to a fire? I did. I don't like it, gentlemen. When you walk into a burning tenement and hear the cries of children and people trapped in there, and then you witness their charred bodies being removed —and those are the conditions that exist today in my city, and more so now in every other large city in this country. . . .

Without rent control, gentlemen, the situation will go wild. There will be 15, 20, 25 per cent increases. There will be a shifting of tenants. The evictions will get beyond control and we will reach the stage such as we met in 1932, I think it was, where marshals all over the country could not sell foreclosed farm lands. And any time a situation is created which brings about defiance of law, or resistance to the enforcement of the law, then you have a very serious situation and we must avoid it.

I realize, Mr. Speaker, that it is too late to do anything about the government policy so far as it affects commercial rentals, but I hope it is not too late to appeal to the government to refrain from removing any more of our controls until the committee has studied the problem carefully, and especially to continue domestic rent control until our present housing situation has been alleviated. I realize

frankly that the present regulations create hardships, but I think that on balance we must agree that the establishing of these controls created a great deal more security than we would have had if there had not been controls. Until we have adequate housing units for all the people in Canada who want them, taking into account the effect that removing controls would have on the cost of living, I think the administration must continue these controls for a longer period.

Again, Mr. Speaker, I want to thank the members of the house for permitting me to make these few comments.

Mr. E. D. FULTON (Kamloops): It is not my purpose this afternoon, Mr. Speaker, to debate specific issues of foreign policy, nor is it my place to suggest what should be our policy on specific questions. But as I indicated last night, the reason that I participate in this debate at this stage is that I feel that the question of foreign policy generally and the situation confronting the world is so important, so fraught with possible consequences for good or ill, requires positive action on Canada's part to such an extent, that we should request once again that the government make a statement on foreign policy to the house and to the country so that people of Canada and the world at large will know where we stand. What I intend to do this afternoon is to indicate some of the dangers and disadvantages, inherent in maintaining the present silence, which dictate that we should have a foreign policy known to all the world, and to press again for a statement at an early moment.

The background of events from 1935 to 1939 has already been referred to, and it has been stated that recent events in Europe bear a disturbing, an almost frightening, resemblance to what took place between 1935 and 1939. There is one event particularly which took place in 1935 to which I wish to refer in order to emphasize why that background for events today and the background for events in the past is so similar. It was an event which no Canadian can recall with pride. It took place at Geneva at the time when, the Canadian delegate having espoused the cause of oil sanctions against Italy, that attitude was repudiated by the Canadian government. It has been alleged, and I certainly believe, that this was the beginning of the end of collective security. From there on the smaller free nations of Europe and other continents were picked off one by one. No one believed there was any point in standing together or that any action would be taken to preserve them. There was no collective security. So the scene was laid, the stage was set for the drama of the aggression and rise to power of Hitler and Mussolini. And because that death knell was sounded then; because the results were so tragic and disastrous, we cannot afford to let history repeat itself and allow the impression to go abroad once more that the countries of the west, the democracies, are not going to act together against aggression.

That immediately raises the question: what, then, is Canada's attitude? What is Canada's policy in the light of these circumstances? In effect, Mr. Speaker, it raises the question directly: has Canada a foreign policy? That is a question which so far the government has not answered. We took pride, and a just pride, in our position as a leader among the middle powers. We achieved that position largely as a result of the efforts made by our armed forces during the war. At that time it was easy to have a foreign policy. Canada's voice was certain and sure, and was understood and respected by all powers, particularly the middle powers. But it is very doubtful if any middle power, particularly, could answer the question which they must be asking themselves at the moment: where does Canada stand? What is Canada's foreign policy? One has only to ask where the countries of South America or such of the democracies of central and western Europe as still survive can find an answer to that question. What will Canada do in any given set of circumstances? Has Canada a foreign policy? Will Canada help? After recent events in Czechoslovakia it is quite certain those countries could not find an answer to that question because our attitude—and this is the great objection to it—looks like the acceptance of a *fait accompli*. We have made no protest; we have barely even referred to the coup in Czechoslovakia. The Czechoslovakian minister in this country has made his protest, one which I think might well evoke some response from Canada. The events now taking place in Europe with respect to Finland and Germany have raised the same question: what is Canada's policy? What is Canada's attitude with respect to those developments?

I should like to make this point, perhaps just in passing. The present government, as a matter of policy, has opposed any move toward the development of a united commonwealth voice on foreign policy. At the moment I am not prepared to enter into a debate on the merits of that position, but I think that can be stated as a fact. However one may view that fact, unfortunately the government have not taken the other step which they might have been expected to take

to complete the picture. They have not as yet developed Canada's own voice, or if they have it has not been announced. Canada does not speak with any clear and distinct voice, so we have neither a united commonwealth policy nor a distinctive Canadian foreign policy.

These great unanswered questions, because they are unanswered, mean that Canada's leadership of the middle powers, Canada's opportunity to take a position in world affairs befitting her stature and merited by her sacrifices, is being frittered away. This is a fact which is to be deplored, something which makes us bend every effort by persuasion and demand, if you like, upon the government to have steps taken and to have a statement issued to prevent that leadership slipping away to any greater extent.

In connection with the development of Canada's foreign policy, Mr. Speaker, I should like to put forward the suggestion that the voice with which we speak must be the voice of the country. A foreign policy is not or should not be a party question. It is a national question, because upon the success of the foreign policy developed depends the security of the nation, and that is the concern of every party, every organization and every citizen of the country. But if that foreign policy must represent and be chosen and supported by all the people, then its scope will be limited by the extent to which the vision of our people is limited. In other words it becomes necessary for the people to be fully informed about foreign affairs, the various issues which confront us, the various views and ideas on foreign policy which may be held by government spokesmen, by opposition spokesmen and others, so that, with these views put forward clearly and assessed by the people, the people and their representatives in parliament may have an opportunity to arrive at a common foreign policy the success of which will ensure the national security. But it is impossible for the people to have that vision and that understanding of the problems which confront them; it is impossible for us to arrive at the foreign policy best designed to meet the circumstances in which we find ourselves as a nation, unless we have full discussion in parliament. I might point out here that in the case of the other great democracies, certainly in the case of the United States, the United Kingdom and France, their voices have been heard with respect to current events in Europe, and with respect to foreign affairs generally. So far in Canada, however, though this session is now three months old, no opportunity has been provided for a debate on these questions, and no statement has been made by the government which might perhaps preclude the necessity of a debate by being so clear and so acceptable. Surely the government cannot escape the responsibility for one or other of those alternatives. They must either of their own volition say where they stand, or allow us to have a debate on foreign policy.

I am sure the Secretary of State for External Affairs (Mr. St. Laurent), the house and country feel definitely that Canada has a legitimate claim to a voice in world affairs. The right to that voice arises partly from the fact that Canada has no territorial ambitions. There is no conquest, either economic or physical, which she wishes to make. There is no reason for her trying to play one group against another. So far as impartiality is possible, Canada speaks with the nearest approach to impartiality in respect to international affairs that could be achieved. So for that reason alone, other countries of the world would respect Canada's opinion, and, I believe it is fair to say, would be glad to hear her voice and to heed it.

But there is another reason why Canada is entitled to a place in world affairs, and why it is the inescapable duty of the Canadian government to make its voice known and heard. I refer now to the sacrifice Canada made in two great wars, neither of which was fought on her shores, but rather in Europe. In the first war particularly, there was no direct threat to Canada. As events developed in the second war it became obvious that there would have been a direct threat to our own territory had we not acted. But at the commencement of neither conflict was there any reason for Canada to fear physical violence to her territory. So that her participation in those wars arose from a disinterested belief that the right, wherever it is violated, is the concern of the whole world; and that we cannot isolate ourselves from the consequences of wrong, wherever it may be done. With that belief we felt we had to go to war, although no nation could have taken up arms more reluctantly than did Canada. We did take up arms, however, because we believed in the right, and in those things for which we fought.

Having made that sacrifice, are we then to see it frittered away because now, when wrong is being done, we take no action? We do not even raise our voices in protest. If we are content with this neglect, then we disregard the lessons of the recent past, indeed almost of the present, and also we do violence to the memory and the traditions of each of those who fought, and particularly those who died. The life and memory of every Canadian

who made the supreme sacrifice in either world war cry out to this country and to its people for a declaration that their sacrifices were not in vain; and, if nothing more, for the raising of our voices in protest against the wrongs and injustices being perpetrated on the continent of Europe.

That being so, it is the inescapable duty of the government to speak for the Canadian people; and one which I hope it will accept before the opportunity for it is too late, and before the good which can be done by it is no longer open to us to follow.

Mr. LUDGER DIONNE (Beauce): Mr. Speaker, ever since the government abolished subsidies, lifted price ceilings on certain products and suggested definite steps in order to curb certain imports from the United States, they have been subjected to general criticism. Without even stopping to consider the reasons which may have caused them to act as they did, our people have held our legislative authorities responsible for all the trifling daily worries which are the common lot of every one of us.

Frankly I sometimes wonder if my fellow-citizens have not forgotten that Divine Providence has endowed them with intelligence so that they may judge current events according to the dictates of common sense. From the way they are asking what steps the government intends to take to protect their present standard of living and to provide them with what they call their due share of happiness, one would think their voices were the monotonous reproduction of a gramophone recorder. They resent being asked what they themselves intend to do in order to bring about this state of things, this happiness to which they claim they are entitled.

During the war our people used to complain about controls. While a great many were clamouring for the abolition of the same controls, a large portion of our population openly favoured black-market practices against which the government was trying to protect them by means of a nation-wide organization. Officials of this organization invited every Canadian to inform against those guilty of illegal practices. Committees were created in practically all important centres to gather, under the pledge of secrecy, information in connection with such infractions. Offices were opened all over Canada by the wartime prices and trade board in order to proceed against violators of the law.

The majority of our people refused to denounce black-market operators. They preferred to hide them in order to obtain more easily sugar at $20 a bag, adulterated butter at 60 or 65 cents a pound, nails at $30 a keg, and so forth.

In general the working people refused to do overtime, and even absented themselves in order to avoid additional income tax payments. They spent lavishly, not only for necessities of life but for luxuries. Money spent on liquor in Canada gives us an idea of our people's extravagance. I shall quote the figures regarding our liquor consumption for the years 1939 to 1946 inclusive:

1939	$179,338,373
1940	191,709,976
1941	231,977,246
1942	287,446,107
1943	335,174,259
1944	341,892,135
1945	372,866,288
1946	483,681,678

These figures are based on the price per bottle or per case. We could easily double these amounts by adding the profits on liquor sold by the glass or in blind pigs.

Our people were completely taken by a frenzy of pleasure, which was evidenced by long queues outside liquor stores, theatres and other places of amusement, and it often ended in orgies at night-clubs. During that same period, China, Japan and the whole of Europe were under the iron heel and were subjected to all kinds of privations, and the flower of their youth was being sacrificed on battlefields, among indescribable sufferings.

After the war, while controls and subsidies were still in force, our workers demanded salary increases, holidays with pay, shorter working hours and so forth, which were granted willingly or otherwise. Canadians received in wages, salaries and supplementary labour income a total of $530,000,000 in September. The figure was $13,000,000 higher than for August and $84,000,000 more than in September 1946, according to the Dominion Bureau of Statistics. For the first nine months of 1947, labour income amounted to $4,404,000,000 an increase of 18 per cent over the corresponding period of 1946. Our total production was around $12 billion; our labour for twelve months received $5,872,000,000, or nearly fifty per cent of our total production. I mention these figures for the information of those who believe that increase in salaries is insignificant in the cost of the finished products.

In 1947 our imports from the United States amounted to fantastic figures. Automobiles could not be purchased without payment of a bonus ranging from $500 to $1,000. United States imports were at such a premium in the stores, and it was such a problem for dealers to keep their shelves stocked, that Canadians

crossed the border to buy coveted luxury articles at fancy prices. Such a spending spree is without parallel in the history of the country.

In the meantime the government gained house approval of legislation setting the price of wheat at $1.55 a bushel, thus making it possible for our agricultural classes to produce and feed the people of Canada at reasonable prices while providing producers with a stable market.

Mr. SMITH (Calgary West): On a point of order, Mr. Speaker, in the absence of the hon. members for Fraser Valley (Mr. Cruickshank) and Vancouver North (Mr. Sinclair), I think I should make their usual complaint and tell you that the speech is being read by the hon. member. I know I shall get nowhere with that, but I do not think the speech should be read with the hon. member having his back turned squarely towards you, sir.

Mr. CHEVRIER: That was described as cheap politics the other day.

Mr. MACDONNELL (Muskoka-Ontario): This is a new point.

Mr. CHEVRIER: Not at all; it is exactly the same.

Mr. SPEAKER: I would ask the hon. gentleman not to read his speech. Of course he is quoting a lot of figures and I understand has to make reference to his notes.

Mr. THATCHER: On a point of order, Mr. Speaker, when a member is speaking a language not his own I think some allowance should be made.

Mr. DIONNE (Beauce): Recently the president of the Argentine republic stated that although his country sold its wheat at $5.10 a bushel the farmer's proceeds amounted to only $1.70. It is, I presume, expressly to spare the country from the distressing inflation that has spread all over the world that government restrictions still prevent us from exporting various foodstuffs to the United States. There is no embargo on salmon. Sockeye brings $36 per case in the United States and $25 in Canada.

While protecting those nations that must purchase in order to feed the hungry, the Canadian government is trying, by every means at its disposal, to prevent prices from rising too steeply in this country. When the government, faced with the rising costs of manufactured goods and realizing that the producers who feed our people were entitled to a fair reward for their hard work, decided to remove controls so that the farmers could sell their products at prices in line with those they have to pay for the manufactured goods they need, everybody in the country starts clamouring hysterically against the high cost of living. Some newspapers hail with screaming headlines the victories scored by trade unions in gaining wage increases, while they storm at the rising cost of living. Looking at this situation dispassionately, one must wonder whether people are not completely out of touch with reality.

I can sense already how some people will react against increased prices of farm products. They will claim that such increases do not benefit the producer but the go-between. How can we hope to deal fairly with the Canadian public by imposing ceiling prices without controlling wages?

In the newspaper *La Presse*, of Friday, February 20, I read an article announcing the intention of the unions to ask for a forty-hour week and an increase in wages from the contractors. If this request on the part of labour is satisfied, and I would not be surprised to see it go through, it will increase the price of construction and will aggravate the housing situation. How can you expect to induce a labouring man to become the owner of his own house when he can see no end to its costs, which are already exorbitant? Do you think that labour will be happier if they work only forty hours a week? My experience has taught me that happy and satisfied people are only those that work full time. After all, who is the first one penalized by the increase in prices? The labouring man, because he has to buy everything he needs. What is the cause of increasing prices? Unjustified increases in wages, and loss of production. No one can expect to correct this situation by increasing wages and reducing working time.

Let us not forget Sir Stafford Cripps' recent appeal to British workers, begging them not to ask for wage increases if they did not wish their country to go bankrupt and face starvation, and beseeching them to increase production in order to prevent impending ruin.

Glancing at developments in England, let us be realistic. While in Great Britain last April, I stayed at a big hotel where the bill of fare was so meagre that I could not have bread at one meal if I accepted a lettuce leaf as an entrée. I did not see milk, butter, eggs, coffee, steak, ham, and more than very little sugar, during my stay over there. Yet I was paying $10 a day for my hotel room. I had to keep on my overcoat and hat because the room was unheated. At that time, English papers were reporting that seventy ships loaded with

foodstuffs had been lying at anchor in Glasgow harbour for thirty-nine days while stevedores went on strike.

Have you ever considered what huge quantities of coal, iron, textiles and other products England could ship to us and thus be in a position to feed her people properly? Unfortunately she does not produce enough of them to meet her own needs. Workers' salaries have been raised to the saturation point in so far as the security of the national economy is concerned. Working hours have been reduced and absenteeism is becoming more and more noticeable, besides the fact that strikes are frequent all over the country. To what cause can they be ascribed? To destructive criticism and to reckless promises made to the labouring class.

Now that England is at the edge of the abyss, things have come to such a pass that the workers are being besought to prevent the country from being thrown into anarchy.

Since I am discussing the hardships suffered in England, why should I not consider what is occurring elsewhere? In France, for instance, where workers had to pay last spring 350 francs for a frugal meal in the restaurant around the corner. In Germany, where all cities except three or four have been demolished in the proportion of sixty-five to ninety per cent, and where the people have to live on United States charity, supplemented by the black market. In Russia, where thirty million people are starving and shelterless, according to the report of Brazil's ambassador Mario Premental Brandao, published in the December 26 issue of the Montreal *Star*.

In view of this tragic situation, which affects eighty to ninety per cent of the world population, compelling them to do without even the necessaries of life, forcing the majority of the people in war devastated countries to live in cellars, in improvised shelters, if not in the open, I wonder whether we are not defying Providence when we criticize in and out of season. What is to be gained by such sterile and pessimistic criticism? To convince our people they are unhappy, whereas we are living in a garden of Eden compared to the rest of the world.

I remember Mr. R. B. Bennett's election around 1930. Quebec farmers were told then that they were giving away their butter at 30 cents a pound, due, among other things, to poor government administration. What happened? Butter, if I remember rightly, later sold at 15 cents a pound. Real estate was selling at a tenth of its value and at that often found no takers. Is there anybody here who really believes that this campaign of defeatism has really helped this country? Why do we carry on like this today? Why do we inveigh against the cost of living when we ourselves are primarily to blame for it because of our lenient attitude towards the black market and the activities of the trade unions which operate in a vicious circle? Besides, if we would only stop being the mouthpieces of trouble seekers and show ourselves capable of independent thought, could we conclude that the cost of living could reach such heights without a corresponding rise in revenue?

In the Toronto *Worker* on January 26 last, we find a passage which is extremely significant in this regard. I quote:

> Present cost-of-living index is only about 12 per cent above 1929, the greatest pre-war year in Canadian history. Present wages are about 70 per cent higher than in 1929.

If this is true, and I believe it is, it clearly shows that the main reason for the rise in the cost of living is the rise in wages. If any proof were needed, the building industry would provide it. Standing timber should cost the company who owns it no more than it did several years ago, and yet when it is bought on the market it costs 300 to 400 per cent more today than it did a few years ago. There has been little increase in the price of nails, cement and asphalt shingles, since they are mainly machine made; yet the price of a finished house is prohibitive. It is evident that higher building costs are due to the increase in every class of wages.

On July 12, 1946, speaking in this house, I suggested that the tax be abolished on incomes up to $1,500 in the case of single persons and $3,000 in the case of married people. I advocated making up this loss of revenue by means of a ten per cent tax on the retail price of clothing, home furnishings and automobiles, such tax being collected by affixing a stamp on each article. If a women wanted to buy a dress with a 75 cent stamp sewn inside the lining, she would never agree to pay $10 or $20 for it. The same thing applies to ladies' hats, which contain about one or two dollars worth of material but retail at $10 to $15, or even more. Such a measure would afford protection to the buyers against any unfair advantage taken by dishonest dealers and would put a stop to black market operations. When controls were lifted, all the government would have had to do was to add to its order in council a clause maintaining the prices shown by the stamp. This measure would have been a powerful means of curbing all exploitation. Prices would have increased gradually as old stocks became exhausted throughout the country. The price of a suit selling at $35 on September 12 would not have gone up to $50 the day after controls were

removed, and so on. Because of this measure, workers could hardly have claimed such heavy wage increases, for tax reductions would have relieved them to a certain extent, and the protection against exploitation by dishonest traders would have bettered their lot automatically. Not a member of the house paid the least attention to my suggestions. I hold no grudge against anyone. I am not one to take offence because my suggestions were ignored. Nevertheless I wonder if we really are justified in protesting against the high cost of living after such indifference toward means to prevent it.

Are the members of this house fully aware of their responsibilities when they criticize the government at every turn—using the rise in the cost of living to make their speeches more high sounding, when they have not even taken the trouble to consider all the means which could at least have considerably delayed that rise or regulated its pace so that it would have been much less noticeable?

It is strange that such protests against the high cost of living should relate to necessaries of life, like milk, butter and beef, which are produced by a class of people who are busy every day of the year and whose working hours exceed one hundred per week. Let us take butter at 73 cents, for instance. After deducting 3 cents for the retailer, 3 cents for the wholesaler, 6 cents for the factory and one cent for freight, there remains 60 cents net to the farmer. One hundred pounds of milk average four pounds of butter; therefore the farmer is paid $2.40 for producing 100 pounds of milk.

The average yearly quantity of milk given by a cow in the province of Quebec is about 4,000 pounds. That will give about 170 pounds of butter. Now, 170 pounds of butter at 60 cents makes a total of $102 a year or, 28 cents a day. To obtain that paltry sum of 28 cents the farmer must invest money in a farm and all the necessary equipment; he must purchase the cow and pay for it; he must, with his wife and children, work to put that farm on a production basis; he must buy the feeds he lacks for increasing his milk production; he must care for and feed that cow in the stable every morning and evening during six months a year; he must milk her twice a day during nine or ten months of the year. For all that work, from sunrise to sunset, for the risks assumed the farmer only gets 28 cents a day. Is there any worker who would consent to do that work for such a small remuneration?

Having spent all my life among farmers I am conversant with their problems; above all I know that a farmer must work hard, with the help of his family to stay and live on his farm. I am also aware of the daily sacrifices which are

imposed upon him; I know that he must reason things out in a practical way when he compares his lot with that of the industrial worker. I know that his heart bleeds when he is compelled to refuse a new dress or a new hat to his daughter, because he is unable to afford the expense. I know how difficult it is for him to get his sons to stay on the farm and help him in his agricultural pursuits. He has all my sympathy, and I will never criticize if he can manage to obtain 60 cents net for his butter.

One has but to think the matter over briefly to admit that the general concern about the price of agricultural products is but a storm in a teacup. When the price of butter or beef goes up a few cents people make shrill protests, but we do not hear them criticize the price of a $5 bottle of liquor, the price of cigars and cigarettes, theatre admission and so forth. In view of the fabulous amount spent on liquor in 1946, are our people justified in complaining?

Our people are spending their money lavishly on things which are not only useless, but detrimental to their health, yet they have the impudence to complain when the price of milk increases a few cents a bottle. When I think of citizens of foreign countries who are deprived of everything, have no money and cannot even work in order to buy what they need, while we in this country are spending our money foolishly, I wonder how long that situation is going to last. How can we reasonably expect it to continue when between eighty and ninety per cent of the world's population is deprived of the bare necessities of life, while we in North America, who form the other ten or twenty per cent, live a life of plenty?

To what meritorious deed can we attribute the fact that we have been spared the evils which afflict at least three-quarters of our fellow men? If Canadians would only avoid excesses of all kinds they would be the happiest nation on earth. Unfortunately such a wish cannot materialize unless people show good judgment and strength of purpose. Our people, bent on enjoying themselves, no longer have the leisure to pause and think. Searching for something different in the way of entertainment, giving in to every whim, they have no time to consider anything else. People live mechanically, criticize the government and expect it to cure all evils, real or imaginary.

Is the time not yet ripe for the government to introduce legislation designed to correct these manifold abuses? Why not begin by curbing excessive use of spirits? In 1939 our people spent $179 million on alcoholic beverages, and $483 million in 1946. Could this latter figure not be reduced to the 1939 level,

that is to say, to $179 million? How many trials, headaches and family quarrels would thus be eliminated? How many tears alcohol has caused deserted mothers and children to shed! Think of the worries it brings to parents whose sons left home without ever having touched a drop but return, after a while, addicted to the 40-ounce habit. Think of the highway accidents, the broken lives, the ruined prospects attributable to this disastrous evil. Think of the unfortunate victims of over-indulgence who now await death in lunatic asylums. If you look into divorce statistics you will find that nine times out of ten, alcohol is at the root of the trouble. Slums would vanish if the $750 million wasted yearly on spirits were devoted to the building and improvement of homes. Is there any reason why Canadians should now indulge in alcoholic beverages more than in 1939? The huge amounts of grain required for the distilling of spirits could be exported to needy countries and would thus help untold numbers of starving people.

Why not re-educate our people to save, or at least to do without the superfluous? Some may claim that Canadians can no longer save because of the high cost of living. Yet I was reading last week in a Montreal newspaper that the company responsible for distributing juke boxes in Montreal restaurants collected weekly dues amounting to $250,000, or more than $12,000,000 a year. Millions of dollars are spent on soft drinks. I could go on quoting examples of similar squandering. Canadians are incredibly wasteful and improvident.

If the Canadian worker cannot make any savings out of the wages he is earning in this country, how could he manage to make both ends meet if he earned only $59.85 per month as in Russia and had to pay $5.50 for a pound of butter, $3.50 for seven quarts of milk, $2.50 for a dozen eggs, $7 for a pound of coffee, $6 for three pounds of veal, $1.20 for one pound of sugar, $1.20 for one package of cigarettes, $1.35 for one bottle of beer, $54 for a pair of shoes and $285 for a suit?

I know that this speech will certainly not be popular. I think however that it is more constructive than the boot-licking eulogies which some men are wont to deliver. It is high time our people were told the evils which are gnawing at our way of life. Take away alcohol, wastefulness and immorality from Canada and you will have the happiest country in the world.

Many will say this is impossible. Let me remind you that if as much energy were spent by public men in fighting these three curses as in promoting their political philosophies, beneficial effects would follow in short order.

A great many people, it must be admitted, experience hardships as a result of the rising cost of living. Those with fixed income or wages who are unable to better their financial standing in relation to the cost of living are much to be pitied. But we cannot improve their lot with any degree of efficiency by reducing farm prices. Let us strike at the very root of price increases, which stem from such evils as—

(1) Unfair price increases by profiteers. The present inquiry into rising costs of living will no doubt reveal the names of many dishonest dealers, and, let us hope, teach them a good lesson. Besides, exploitation of the public by a few dishonest dealers can be only of short duration. As soon as goods become more plentiful, competition will necessarily cause the price of manufactured products to fall and the dishonest dealers will be the first victims of their exploitation.

(2) Unwarranted pay increases in industry. Before allowing an industry to grant wage increases, it should be ascertained what difference they will mean in the price of the finished product. If the increase demanded causes the final price of the manufactured article to go up to such an extent as to be detrimental to the general well being it should simply be refused. The manufacturer of whom a wage increase is demanded almost invariably refuses it at first. Trade unions then enter the picture and, through the press and by many other means, as often as not illegal ones, attempt to blacken the manufacturer's reputation in the eyes of the public. Jostled and threatened from all quarters, he weakens and gives in. What happens? The next day he increases the price of his product. This state of affairs will continue until the union leaders demand a new wage increase. And so it goes on, the same process being repeated several times, until the cost of the article becomes prohibitive. Who will suffer from all this? Everybody, including the worker himself.

As long as we allow such methods to be employed it is useless to look for really efficient means of relieving the consumer. We shall not find any. That was not the way our ancestors built up this country and left us our national heritage. That is not the way in which we should pass on this heritage to our descendants.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I wish to speak for a very few minutes on this occasion. I spoke on the amendment moved on this side and my reason for speaking on the main motion now is to direct the attention of the government to the grave injustice under which the people in our city

are suffering at this moment in consequence of the rentals that are being charged. I refer particularly to the small store keepers and business people in the retail and wholesale part of our city. The regulations refer to rentals which are "just and reasonable", but the interpretation of these terms has given rise throughout the years to great differences of opinion in the law courts as to its meaning.

County court judges sit in the division courts in the county of York throughout the week and my suggestion is that it would be better to give the county court judges jurisdiction in this matter, fixing a limit at ten per cent increase in the discretion of the trial judge. The whole problem is a very serious one in the city from which I come and I hope that something will be done along these lines. I do not think there is any reason why our judges should not have jurisdiction, up to ten per cent, to determine what they deem just or reasonable according to the circumstances.

There are one or two other matters to which I should like to refer. The Prime Minister listened to the first lesson from the hon. member who preceded me and I am sorry he did not wait for the second lesson which I am now making. On the 26th day of this month, that is to say on Good Friday, Their Majesties the King and Queen will observe the twenty-fifth anniversary of their wedding. The visit of Their Majesties in 1939 showed their tremendous popularity in every province in Canada. I suggest that the government consider the passing of a resolution by both houses of parliament extending congratulations to Their Majesties on that happy occasion. I understand that they are having some kind of celebration on Saturday, the day after. Will the government give this consideration? I suggest that a proclamation be issued by the government calling it to the attention of the public of Canada and of the provinces for action.

Here is the last suggestion I have. Christianity is part of the law of England, and automatically by the Constitution Act, 1791, of Canada, I claim that it is thus part of the law of Canada. I have called on the government in previous years to see to the proper observance of Good Friday this year, because we are a Christian nation and a Christian country. I think there should be some proper observance of that day as a religious holiday throughout Canada. The C.B.C. should be instructed to have no jazz or no advertising on that particular day. It is largely a religious day.

[Mr. Church.]

I am glad to see the interest taken now in the house in foreign affairs and external affairs. Just yesterday in our city a gentleman from Washington, John Foster Dulles, made a political speech at the Canadian club. I think the doctrine of pan-Americanism that he was advocating is dangerous. Some of these Latin republics in South America have not been friendly to Britain, and it was Britain who gave the Americas the protection they had at sea, as the Monroe doctrine was the supremacy of the British fleet. I am surprised at Canadian clubs having speakers like that. I do not belong to them because at times some of them are not any more Canadian than some of the empire clubs are imperial. It was a great mistake to have a speaker like that at that time. There should be no attempt to trifle with the question of pan-Americanism. These Latin republics will lead us into a war if we join and follow them.

I hope that some day before Easter will be set aside, afternoon and evening, to discuss the whole question of foreign affairs. They have had such a debate in the old country. I hope that something will be done to call the attention of the house to the grave danger which our country is in at the present time. We can no longer depend, as the British government have announced, on the mother country for all our defence. If we are to have any defence, we must re-establish the empire air training plan for the defence of the commonwealth. I hope before Easter a day or so may be set aside for that particular discussion.

Mr. E. B. McKAY (Weyburn): I have not spoken on this motion before, Mr. Speaker, and I had no intention of doing so until recently when I received a great number of letters from farmers in my constituency and throughout western Canada protesting with regard to the T-1 prairie farmers' 1947 income tax form. It seems to me that this form is a most unpopular piece of work. The farmers complain that the forms are too long and too complicated. I believe the promise has been held out to the farmers that this year at least they would receive forms that were simpler than the ones commonly used in the past. But on the contrary they are worse now than they have ever been before. In most cases it seems to require the payment of fees to have the forms completed. The farmers are resentful also of the insistence of the Department of National Revenue on completion of the part of the form with regard to net worth. The following extract from a letter I have just

received seems to indicate the position that a great number of farmers of the west are taking. It reads:

For months now we have been hearing on the radio and reading in the papers about the new "Prairie farmers' income tax guide" book and how much more simplified it would be to fill the forms.

Well, this week we got the book and also the new forms. We just can't believe it's possible that in a country which is supposed to be democratic and support the four freedoms that such a fascist piece of dictatorship could be used against the prairie farmer. We strongly suspect some very sinister motives behind it all, because all this information has been withheld from us until the time we have to fill the forms. Then too, it's going to be a lot of guesswork to fill in the questions asked, how many farmers are educated or able to fill in or even keep a record of what we are supposed to do?

Surely, Mr. Speaker, there are brains enough in the Department of National Revenue to devise a simpler form than this. If, as the minister has intimated, the income tax is here to stay, it would appear that it is about time a simpler tax form was devised so that the farmers at least would be satisfied that, while they have the taxes to pay, everything is fair and aboveboard. Every year the same complaints are heard. This year there are more than there have ever been before. I urge upon the minister that he recall the tax form known as the T-1 prairie farmers 1947 and prepare something simpler; I urge that he have them circulated early enough, so that the farmers will be able to fill them out this year without all the trouble to which they are now being subjected. Everybody knows the paying of income tax is onerous enough without adding to it the extra burden of a complicated and unreasonable income tax form.

Mr. W. G. CASE (Grey North): I do not intend to detain the house long, but I have received some petitions and information which I thought I should like to put on the record.

I wish to underline some of the things the hon. member for Kamloops (Mr. Fulton) has said. I am conscious of the fact that Canada has made certain commitments or assumed certain obligations with respect to our foreign relations, and I sincerely hope that an opportunity will be presented to the house in the near future to debate our foreign policy. I realize that a certain formula was adopted for procedure at the beginning of this session, but so many things have taken place since then, in Europe particularly, that I think we should have an opportunity not only to learn for ourselves but to indicate to the outside world, and particularly to our friends, the position we take.

I today received a copy of the Windsor *Daily Star* dated Monday, March 8, with the first of what will be a series of articles on the communist threat to Canada. This enemy is boring from within, and while one would not want to be classified or considered as an alarmist, nevertheless to be forewarned is to be forearmed. When I think of the magnificent reception today for Miss Barbara Ann Scott, who returned to Ottawa with her skating laurels, I recognize the depth of enthusiasm and admiration for this beautiful Canadian girl, a product of our way of life in this great freedom-loving nation. I feel that we should give consideration almost immediately to the means we propose to employ to preserve, for this generation and those who are yet to come, that way of life.

I have a letter from the Kelowna branch of the citizens' committee, with respect to our military position. I am going to read only two paragraphs, to indicate their concern in this regard:

With reference to our earlier letter regarding the need for compulsory military service.

We, the citizens committee of the reserve army in Kelowna, continue to be deeply concerned over the failure of repeated recruiting drives; and at the apparent lack of response to the efforts made to produce a sufficient body of trained personnel for active service, if and when the need arises.

Then this is the last paragraph:

We would respectfully draw your attention to General Crerar's article in *Maclean's* magazine of the 15th July, 1947, which bears on the matter, and ask your support of our proposal, to the end that action may be taken at the present session of parliament.

It is not my responsibility to say what I think the government should do or what their fixed policy should be, but I do say the government should have a manpower policy which would have the full support of all the Canadian people. I think the time to decide such a policy is when we are at peace. We are said now to be in the midst of a cold war. Events are indeed startling but it is my considered opinion that if war does come it will indeed be a war of survival, with the Christian world pitted against the godless world, or however you may care to describe it, because in the main the democracies have never been aggressors. We should take time by the forelock and be prepared at least to defend ourselves, and to this end the people should know something about the art of self-defence.

Then I have a communication by way of telegram from the Canadian association of radio and appliance dealers, signed by A. G. Frame, their secretary, and supported by other

correspondence, complaining of the 25 per cent excise tax on radios, refrigerators and other appliances. Whether or not we consider these things necessities, I believe the tax is wrong in principle. Certainly I do not think it should be applied on necessities; and I am convinced that an electric refrigerator is just as necessary as any other piece of equipment in the home today. Indeed, with the high cost of foodstuffs it is imperative that our people have the equipment with which to preserve the goods they have in store.

Then I have a communication from the Canadian daily newspapers association complaining of the eight per cent sales tax and intimating that there is rank discrimination against the daily newspapers in its application. I felt I should bring this matter to the attention of the house inasmuch as it has a direct relationship to what is fair and square. The complaint is that the newsprint going into the production of magazines is not subject to this sales tax. To show just how this works in practice, these people state in their brief that the Toronto *Star Weekly* does not have a news section and, therefore, does not pay the eight per cent sales tax on the newsprint consumed by the publication of several magazine sections in each week-end edition. But the Montreal *Standard* has a news section, and must pay the sales tax on all newsprint consumed in the publication of the several magazine sections and the news section in each week end edition. I have referred to two Canadian publications, but I am more concerned about the daily newspapers which have circulations of some considerable size and which are competing against a multitude of United States magazines, many of which we could very well do without in Canada. I do not think we are placing our people in a position to offer what might be considered fair competition. I do not believe the Canadian people should be expected to absorb the eight per cent sales tax; and by the same token it is questionable whether the publishers of our daily newspapers should be expected to do so, either. I believe there is much room for study and adjustment in this connection.

Then I have two petitions, each signed by the secretary. The first comes from the township council of Sarawah, in Grey county signed by A. Cameron; the other is signed by George H. Boone, clerk of the municipal council of the town of Thornbury, also in Grey county. The petitions are exactly the same, and I should like to read one into the record:

Resolved that we hereby endorse the principle that war disability compensation for Canada's fighting men should be fixed with due recognition of the economic conditions under which they must suffer lifelong disabilities.

We consider the request made unanimously by all organizations of the war disabled in Canada for a basic rate which will provide $100 a month for 100 per cent disability to be reasonable and just, and we ask the government of Canada to implement this proposal.

I am happy to bring this matter to the attention of the house, and I am sure it will be given consideration by the veterans affairs committee, which has now been set up. In due time I hope an answer will be given the petitioners; but I present the petition on their behalf as a matter of record.

I also have a lengthy petition from the Canadian merchant navy veterans' association, appealing for consideration on behalf of the merchant navy. I am not going to read it into the record; it is simply a copy of one addressed to the Prime Minister (Mr. Mackenzie King) and dated February 25, 1948; but I should like to say this. In my own city of Owen Sound we had many young men who served in the merchant navy, one who had two ships torpedoed from under him, and I do think further consideration should be given that gallant chap, who lost two ships and both times, of course, landed in the sea losing everything. He has suffered a great deal of distress as a result of his harrowing experiences. I believe these men were part and parcel of Canada's fighting forces, and they should be given every consideration.

I have only one other observation to make, and that is with respect to the restrictions on the importation of fresh vegetables, and so on. I simply remind the house once more of an editorial which appeared in the Owen Sound *Daily Sun-Times* of Saturday, March 6, appealing to the government, as I have appealed, to determine now the position they propose to take for 1949, in order that we may encourage those who are able to produce the much needed vegetables and give them the assurance that there will be a market for their produce if they decide to increase their production. I am sure that, given the incentive, they will stimulate their productive activities and we can be sure of more of the vegetables we require next winter.

That is all I have to say, Mr. Speaker, but I recommend to the consideration of the house and the various committees the matters I have discussed.

Mr. A. L. SMITH (Calgary West): Mr. Speaker—

Some hon. MEMBERS: Question.

Mr. SMITH (Calgary West): I am going to delay the putting of the question by not more than two and a half minutes at the out-

side. I have not taken part in the debate on either of the amendments or on the main motion. I am glad the hon. member for Weyburn (Mr. McKay) raised the subject he mentioned a few moments ago, because I want to place myself squarely behind everything he said with respect to this tax form which is being presented to the farmers of the west and, as I learned a few days ago by questioning the minister, also to the farmers of the east. All I have to say about it is this, that it is there to serve a certain purpose, namely, as a stool-pigeon in written form for the income tax branch. There is no other reason on earth why they should cover this net worth business. If the farmer has to do it, then why have not I, a lawyer, to do it? I do not care what the occupation is; if the farmer is to be picked out for it, then let us all be picked out.

It is utterly unjust, unfair and indefensible, and is to be used only as a process of detectiving, if I may coin that expression, to catch the poor chap, who says this year that his net worth is $10,000 and next year makes out he has a profit of $2,000. Next year he puts down $15,000 as his net worth. Perhaps next year there is an increase in value and they say, "But what about the $3,000 you did not show?" That is all it is for.

It is utterly unfair that one class in our community should be singled out for discriminatory treatment of that kind. So far as I am unconcerned, and for all I am worth, I will buck that thing from now until this session either comes to an end or freezes over —if you know what I mean by that.

Mr. R. R. KNIGHT (Saskatoon City): Mr. Speaker, I notice that most hon. members who have spoken recently have apologized for rising in this debate. I have no apologies to offer, although I assure the house I shall be brief. There are two subjects I consider it my duty to bring before hon. members because certain of my constituents have asked me to do so. These matters may have been discussed before, but the people like to have their own members discuss them on their behalf.

First of all is the matter of commercial rents. This subject was discussed eloquently by the hon. member for Rosetown-Biggar (Mr. Coldwell).

An hon. MEMBER: The hon. member for Peace River (Mr. Low) gave the lead.

Mr. KNIGHT: I do not think the hon. member for Rosetown-Biggar needs a lead from anyone. That, of course, is a matter of opinion. In my view the matter of commercial rents was handled in an inadvisable and hasty manner. I do not know whether the hon. members from Ottawa have spoken on the point; if they did I did not hear what they had to say. I know, however, that there is considerable consternation on Bank street and many other streets in this city.

I do not think the government has given much consideration to the little man. The minister says these small businessmen will be protected when rentals rise above a point considered just and reasonable. But the process of defining what is just and reasonable is a difficult procedure. I am reminded of the Minister of Finance (Mr. Abbott), when he was pleading with businessmen not to raise their profits above a point which could be considered just and reasonable. We all know how business responded to that appeal. I believe the government's decontrol policy was at times hasty and ill-advised.

Another point I wish to discuss briefly is the removal of the ceiling from canned milk. I should like to tell the house what happened in my city on that particular occasion. It is well known, sir, that in these days many babies are fed from cans; and that applies not only to milk but other baby foods. When the ceiling was removed there was almost a panic in my city. When decontrol became effective in respect of milk people who had been short of it for some considerable time, people who, because of the high cost of living, could not have cream, turned immediately to canned milk. The effect of decontrol was that it produced a shortage, and mothers of young babies were unable to get the food which they required, and the feeding of which they understood. Their babies were being fed on formulae, and when the canned milk supply was short the whole procedure was upset. I received calls from many irate mothers, although I do not know what they thought I could do about it. I did my best, however, and telephoned the civic health department. They told me that the condition was serious, and that instructions had been issued to these young mothers enabling them to convert plain milk which could be purchased from the dairy. Proportions were suggested which would approximate the milk they had been getting from cans.

For a few days there was almost a crisis, and I was afraid that some of these babies would be casualties of decontrol such as the minister spoke about somewhat casually the other evening. In a condition of this kind I suggest that the government, and particularly the Department of National Health and Welfare, should have seen to it that some provision was made before decontrol became

effective. They should have seen that provision was made for hospitals, other institutions and young children.

I believe I have said all I wish to say, but I have made these few observations because the people I represent expect me to bring matters of this kind to the attention of the house.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, I rise to join with those who have voiced protest against the type of income tax form, and the general picture of farm incomes in western Canada. I cannot speak for eastern Canada, because I am not so sure of conditions here. Let me assure all hon. members that the protest is a real one. It is a protest against a condition of injustice, discrimination and maladministration, which exists and is not good. This condition exists in western Canada in a very real way, or we would not have this kind of protest against the present set-up.

Farmers are a tolerant and long-suffering people. I can tell the house that they thought this government would so change the income tax form, and would so simplify the matter, thereby giving them justice, that they delayed their protest until recently, when they received the new so-called simplified form. I used the word "simplified" in a jocular fashion, of course; because if anything could be considered complicated, then certainly it would be the form recently issued. It would require a Philadelphia lawyer and six parliamentary assistants to prepare one of these forms. And when they had finished I am quite sure that most lawyers could find a hole to go through it.

Mr. KNOWLES: That makes the parliamentary assistants shudder.

Mr. CASTLEDEN: The general picture of farming in western Canada is one which requires official attention. If these new income tax forms prove anything about the government, then certainly they prove that those who are responsible for preparing the forms do not understand the position of western farm people, nor do they understand the conditions through which these people have passed.

Mr. BLACKMORE: They do not care; that is the main thing. They just do not care.

Mr. CASTLEDEN: In studying this matter I would ask hon. members to recall what western farmers went through for about fifteen years prior to the war. If anyone will look at the record issued by the bureau of statistics he will see that they became indebted to the extent of about $680 million. That was the burden of debt carried by the farmers, part of which was levied against the municipalities.

[Mr. Knight.]

That was the result of work and hard labour by people who had gone on year after year under a condition wherein the cost of production was not covered by the price of the commodities they sold. The mortgage indebtedness of that part of the country was terrific.

The first opportunity these people ever had of showing their heads above the debt line came with the slight increase in the price of the commodities they sold during the war. We maintain that, in fairness and in justice to those people who did so much for Canada—so much, indeed, that if they had not carried on, despite the debt under which they operated, Canada would not have had the machinery with which to produce the food and sinews of war. They should not now be confronted with this form. On those farms was equipment which permitted them to continue their work and to do their job well.

What did they do with their money, as soon as they got it? They paid off their indebtedness out of money which they received largely in 1944, 1945 and since. Now they find that no allowance is made for the payments they made on their previous debt. We maintain that, in all fairness to these people, the farmer should be allowed to deduct from his income any money which he pays off on debt incurred prior to 1940 at the end of the depression. Surely that is not too much to ask. The farmers have been loaded down with debt. A good many paid what they owed out of their incomes in 1942, 1943 and 1944, even before they had any idea that they would be taxable for income.

The farmers during the war were asked to produce, and did produce, and often they did not get the cost of production. When we were sending gifts of food to Britain the farmers were quite willing to make their contribution. Wheat was bought from the farm at fifty cents a bushel, which was below the cost of production, and was sent over to Great Britain as a gift. Why was the farmer not allowed at least his cost of production? Manufacturers of tanks, guns and other war equipment were guaranteed profits on their production. They went on strike at the beginning of the war and got cost-plus contracts.

In 1942 the farmers in the west got a crop, but the government quotas prohibited them from delivering their grain in 1942, and they had to build bins on the farm and store it. I think the regulations allowed the delivery of five bushels per acre. The same regulations were in force in 1943, and the farmer again had to store his grain in bins on the farm. In 1944 the government said: Deliver all your grain. The farmer did so. He delivered the grain

that he had stored on his farm in 1942 and 1943, and now the income tax collectors come along and say: "Where is your permit book for 1942 and 1943?" The income tax collectors are not interested in costs of production in those years, and the farmer finds that the grain which he had stored up on his farm in 1942 and 1943, and which he sold in 1944, is added to his income for 1944, thus bringing him up into a higher bracket. The more grain he had stored on his farm in 1942 and 1943, the higher the income bracket into which he goes. He was not allowed to deduct his expenses in 1942 and 1943 when he grew that grain. As a matter of fact, some farmers actually lost money, so far as cash income was concerned, in 1942. But when the grain grown in that year was sold in 1944 he was allowed to deduct only the expenses of growing his 1944 crop. After considerable protest by myself and others in this group, the Minister of National Revenue (Mr. Gibson) finally agreed to do something about it. And it was provided that every farmer who could show that he lost money in 1942 or 1943 would be able to carry his loss over to the other year. That was done, and it afforded some measure of relief, but only a small measure. In 1945 the income tax branch said that the farmer could spread his costs over a couple of years, and in 1946 the three-year average was started, but the farmer was not allowed to spread his income over 1942 and 1943.

With conditions as they are; with agriculture being such a hazardous occupation, with the likelihood of many areas having no crop for three or four or five years perhaps consecutively, the three-year period or even a five-year period is inadequate.

There should be a spreading of costs over a longer period to take care of the type of agricultural production we find in western Canada with all its risks. Some farmers have lost money for five years in a row; and some farmers have had no crop for five years in a row. A three-year average is of not much use to that man. Now he finds that he is not even allowed to claim as an exemption from income the debt he incurred in those drought years.

The farmers are also seriously concerned too about the method of collection. I came in contact with a farmer who in 1945 bought $5,000 of farm machinery and claimed exemption for depreciation in 1946. But the income tax collector said, "We are going to charge you income tax because you must have got $5,000 in that year." The farmer said, "I did not earn it off the farm." "Where did you get the money?" the income tax collector asked; "you must have made it off your farm." "No, I did not," the farmer said. The income tax collector said, "You are going to pay income tax on it anyway." The farmer came to me personally and I went out with him and interviewed the tax collector, who told me exactly the same thing that he had told the farmer, that he bought the machinery in that year and must have made the money off his farm. I said, "No, he did not, and you are not allowed to tax him on that under the act. All you can tax is the money he made that year." The farmer finds it difficult to understand why there is no tax on the money a man makes on, say the Winnipeg grain exchange, but that if he and his wife and children work on a farm, his wife looking after the chickens and his children perhaps in grades 2 and 3 milking the cows and feeding the hogs, the income of the family is taxed. Finally I pointed out to the income tax collector that the farmer had this $5,000 left to him by his mother. He was not inclined to take that into consideration at all at first but, after considerable argument, he finally admitted that it was not taxable. That made a difference of $1,000 in the tax that farmer would have otherwise paid.

The farmers of western Canada are wondering when the government will give a clear explanation to them of what is capital on the farm and what is income. That needs to be made perfectly plain. For a good many years there has been no clear definition of "basic herd." One set of departmental regulations which the farmer knows nothing about will say one year: This is the basic herd. Another year it will be something different. The farmer is allowed exemption one year and the next year he is not. The basic herd idea should be clearly explained to the farmer, so that he will know that it means the average stock he possesses. It should be considered as capital. It should apply to the horses, hogs, poultry and other farm stock, as well as cattle.

The farmer's family all join together in earning the income from his farm. It is entirely different from the way in which an ordinary business is conducted. A man in town may work at a departmental store for a few dollars a week and his wife may make a little extra money working at something else, while the boy of the family may make a few dollars by delivering telegrams. Their combined income is not taxable like the income is which the farmer and his wife and children earn. When the farmer and his wife and children find that at the end of the year they have earned just over the minimum and the tax collector comes along and takes away all the money that the wife earned from her poultry and eggs, it just takes the heart out of these

people. There should be a higher exemption in the case of the farm family. That is the only way in which justice can be done and production maintained.

There remains the question of farm help. Most farmers after a few years of farming like to see their boys go off and start up on a farm of their own. The farmer does not pay his boys much in the way of wages during all the years they have been working for him. Very little cash passes between them. The boy does not look for it, but as he grows up the father likes to hand him over a parcel of land to get him started on a farm of his own. That is part of the wages which are paid year by year. The farmer expects it and the boy accepts it; it does not go down in the actual transactions of the farm in the particular year, but actually it goes into the cost of production because that boy's work is in it. Income of the family is all piled on the one farmer and in the one income tax, and he pays for it.

Another thing is the lack of opportunity to appeal against the decisions of the board. If a tax collector comes in and assesses the farmer at a particular rate the farmer may want to appeal the decision. He appeals to the department, and then the regional division officer will send it in to the office in Ottawa. That is hardly good enough. There should be a proper appeal board to which the farmer can go; it should not all be departmental officials. Then there should be someone there who can present the case for the farmer. Because these tax forms are so complicated the farmer will, of necessity, have to go to a specialist of some kind, either a lawyer or a special accountant, to make up his returns and give him clearance.

The thing which happened in my constituency should never occur in any department. I have an actual case of a farmer in my own constituency who had made out his tax form and paid his taxes as he went along. He had a receipt in his pocket. He showed me the receipt—I have a copy of it here—for the taxes that he had paid on his income for 1944. He received a letter from the Regina district office telling him he had to send in another form. He could not understand why he should send in another form for 1944, because he had already sent in one and he was waiting until he got to town to get more forms in this town. When he got to town he received a letter from the Ottawa branch. Remember, he had paid his farm income tax for 1944 and had the receipt for it and a clearance showing he had paid it. But he got this letter from the department:

Dear Sir or Madam:

It is a printed type of form.

Re: Your income tax return on Form T-1 Spcl. 1944-45-46 & Farm Supp.

The inspector of income tax reports that he has been unable to obtain from you the above return(s), as required under the provisions of the Income War Tax Act, notwithstanding that he has made previous written requests.

He had put in his form; he had paid one of the years completely. I continue with the letter:

This therefore gives you final notice, in accordance with the terms of the Income War Tax Act, that the above referred to income war tax return(s) is (are) required to be filed within thirty days from the date of this letter.

The return(s) may be filed with the inspector of income tax at dominion government building, Regina, Sask., from whom the necessary forms, if not already received by you, may be procured upon request.

Section 79 of the Income War Tax Act provides penalties for failure to file the return(s) within thirty days from the date hereof. Thereafter, you become liable to a penalty of $25 for each day of default, and this is so whether you have a taxable income or not, and whether a return for the same period has previously been filed by you or not.

Whether you file your income tax return or not, if you do not file it again they can charge you $25 a day. I wish they would take section 79 and quote it as it actually appears in the act, instead of putting their own interpretation on it, because it conveys an entirely different idea from that which appears in this letter. I should like to point out to the house that the man had already paid his taxes for 1944 and had a receipt from the government.

When going around the district the income tax officials should take into consideration some of the people to whom they are talking. I have an instance of a returned soldier who came to me and told me what they did to him. He lives near the village of Stornoway. They came to him and told him that they had his permit books for 1944, 1945 and 1946 which showed that he had received grain during those years and therefore they were going to tax him on it. This young fellow had enlisted. He was overseas at the time, and he told them that his father and brother were running the farm during his absence and had put the grain in his name. The money was spent on the regular routine of the farm. He came back and had his first crop in 1946. They came along and taxed him for these years when he

was overseas. He told them that he did not get that money, but they said it did not make any difference. It was in his name and therefore he must have received it. He told them he did not get it. They said, "Why is this permit in your name?" He said, "The local elevator agent did not want to change it; he told my father and brother to leave it as it was and I was quite willing". The father and the brother were willing that they should take this grain and put it in as part of the income on the general farm. The boy asked the inspector what he was going to do about it and was told that he would be taxed for it. The boy had a quarter-section of land on that farm and the brother and father worked the whole thing. The boy kept on protesting and the inspector said to him, "Well, what was your farm worth in 1940 when you went away?" The boy said, "Not very much". The other fellow then said, "What is it worth now?" The boy said, "I would not want to sell it; it is worth about $35 an acre". The reply he got was, "We can tax you on the whole increase". That is not true. He cannot be taxed on the increased value of the farm. The boy was shown how much it would amount to if he were taxed on the increase, and the figure was so staggering that the boy was willing to pay the $400 or $500 income tax to get rid of him. These tactics should not be used.

Mr. McCANN: Nobody has ever said that he could be taxed on the increased value.

Mr. CASTLEDEN: Another incident which has been brought to my attention is that of a man seventy years of age who had paid for some of his indebtedness by the crops he obtained during the war. He was too old to continue to work, and not knowing he was liable for income tax for those other years he built himself a little cottage in the town and had a few dollars left for his old age. When the income tax inspectors came into that town they brought this man in and told him how they were going to tax him. The man became so seriously flustered and upset about the whole thing that he became violently ill. He was taken to the hospital in Yorkton and died about a week later.

These farmers do not understand that they are taxable in these years. What the farmers of this country need is a simplified form of taxation. They do not want this complicated thing that has been set before them. They are sincere. I have heard farmers one after the other, after the farm income tax people were there and told them what the taxes were, say, "What is the use of our labouring early in the morning and late at night if that is the result. I am selling my milk cows and hogs; I am going to quit production; I am not going to milk cows at this rate; I am going to leave this farm and move into town. I will rent out my farm, or I shall operate it as a mechanized farm." You have done more to break the morale of the farmers and producers of western Canada by this farm income tax than in any other way. If you want to know why butter and hog production is down and why the farmers are leaving these farms and living in the towns let me say that is the basic reason. These people have suffered for a long time; they went through fifteen years of drought and hardship; they went without proper food and clothing. Many of them have worked too hard because the young people were away at war and the older people carried on. They now find, as a result of their toil, that this is what is happening. It is just not good enough. The whole thing must be further reviewed. The whole thing needs a complete revision. I would advise the government to call in some representatives of the farm organizations, the Canadian Federation of Agriculture, and representatives from the pools and other organizations throughout the country to talk over this matter and, along with the advisers of the department, to deal with this matter. I would be remiss in my duty if I did not make this protest in the house at this time. If the government does not do something about it at once the farmers will.

Mr. ROBERT FAIR (Battle River): Mr. Speaker, speaking on the amendment to the amendment on the address in reply to the speech from the throne on February 26 last I raised objection to this income tax form that was put out all across the country. At that time I had only a few letters. Since that time I have received letters from farmers violently objecting to the form itself and, in particular, to page 5. In addition, the hon. member for Acadia (Mr. Quelch) has brought this matter to the attention of the government. I hope the Minister of National Revenue (Mr. McCann) will remember getting hot under the collar because of the remarks made by the hon. member for Acadia. Since that time the hon. member for Calgary West (Mr. Smith) has brought the matter to the attention of the government on different occasions and so has the hon. member for Weyburn (Mr. McKay).

I feel I should be remiss in my duty if I did not raise my voice in objection to page 5 of the form. We have been bombarded by different sections of the country, even by the

government, with literature demanding that communism be ruled out of the country, and I do not know of any better method of helping the communists than for the government to proceed with the present income tax form. We have pointed out on many occasions that farmers have had a portion of their income actually confiscated by the government's agricultural program. On Saturday last we had an announcement again of the international wheat agreement, by which our wheat will be turned in at a particular price regardless of the cost of production, and we find that our taxation is to continue. It would seem that we have in our set-up somewhere people who are interested in the communist program for taking away from farmers and other workers of the country. Again I protest against page 5 in particular of the income tax form.

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): I have just one thing to say before the debate is over. We must take a lesson from the Argentine. Everybody knows about the deal between the Argentine and the United Kingdom. They got a market for their meat and they were paid, not with United States dollars; they were paid by a remittance to the Argentine government of British-held railway stock and security. Therefore the Argentine has got something for what it is delivering to Great Britain, while we get absolutely nothing, because we are told we are tied up by the scarcity of United States dollars in this country.

How many times have I said the brain trust that is guiding the destiny of this country has no imagination at all. This is an example. A country to the south of us is gaining something from a deal with the United Kingdom, while we are continuing to make sacrifices for nothing. When shall we get something from the United Kingdom? When shall we get something tangible?

The United Kingdom has given concessions to the United States in Newfoundland, Labrador and elsewhere. This government has given concessions for the road that leads to Alaska, and we get nothing in return. Years ago I suggested that we should have something—the Bahamas, Trinidad, Bermuda, the West Indies. Get something in return. We have no tropical climate; why should we not get our share?

I remember that during the war the minister of naval affairs refused to accept two cruisers that were offered to us by the United Kingdom. He did not want to get anything for our war effort. Everybody is getting something, and Canada, the country that did the utmost for the United Kingdom, is refusing everything. When shall we have common sense to follow the example of practical countries like the Argentine, the United States and other nations?

[Mr. Fair.]

No. We are colonials and will remain colonials. What has struck me in the speech from the throne is the appalling statement made in the first paragraph. It was read on December 5 but it is forgotten by everyone now. It is time to read it again:

> Conditions throughout the world continue to be difficult and disturbing. The dislocations resulting from the ravages of war have become increasingly apparent. In Europe production has made only a partial recovery. In Asia, over large areas, active fighting continues. Shortages of the necessities of life, particularly of food, are still acute. In many countries, political and social unrest is serious. Failure to agree on peace settlements with Germany and Austria is preventing the recovery of Europe.

This is not a picture to be proud of, and this is what has been achieved after two years of discussion at the united nations. Then in the third paragraph there is the following:

> Support of the charter of the united nations remains an essential feature of Canada's foreign policy.

I cannot conceive it. The world is in a mess; Canada has been attending conferences; nothing good has come out of it. What did we get from the security council? General McNaughton has been presiding at the security council for some time, and what has happened? We have heard something about Kashmir. Well, India is out; so much so that the King of England cannot call himself Emperor of India any longer.

There is trouble in Palestine, in Greece, all over the world, and now we see British battleships going to Honduras and the Falkland islands to show the might of the British Empire. Is it not ridiculous? We are tied by the policies of the united nations, the policies of Russia, the most important nation, because she is the only one that has made progress, and if we look at the map that is known to everyone, which is published at times in the press, we can see what Russia has gained since the end of hostilities: Poland, Czechoslovakia, Roumania, Hungary, Yugoslavia, Bulgaria, Albania, Finland and the Baltic States. Russia is gaining all the time. The United Kingdom is losing all the time, and we still stick to the United Kingdom and boast of belonging to the British commonwealth, which is doing positively nothing for us. And we have to pay for our own trade with them.

There are some people who are deeply colonial. They may resent what I say now, but who has ever heard a trade policy like the one we have with the countries of Europe at the present time? We have not the backbone. We are having a Marshall

plan of our own and we get nothing in return. We are ready to swallow everything, provided that it comes from an outsider.

I still believe, sir, that it is high time to preach a Canadian sentiment among the people. Patriotism is not a dishonour; patriotism is a virtue, and patriotism is the love of one's land, the land we live in. The Englishman who is here and is proud of his country may not be a Canadian. He may be a good British citizen. His heart is not with us; his heart is with another country, and he fights hard for that country. He deserves respect. But when a Canadian who lives in this country has no regard for this country at all and no regard for the people who live here, and thinks only of utopia, thinks only of promoting the importance of the united nations at the expense not only of Canada but of the British empire as well, and at the expense of the peace of the world, that man cannot call himself a Canadian at all.

But, sir, I am not going to vote against the address. I regret very much the wording of the speech from the throne. I regret it because it is a true picture of the world condition at the present time. I will not impute the responsibility of it to the Secretary of State for External Affairs (Mr. St. Laurent); but I will say it is my deep conviction that it would have been better if, instead of sending other people, he had been at Lake Success and at the other conferences, bringing to bear the weight of the influence of a man who is in the dominion government and whose job it is to look after the external policy of Canada; I believe he might have achieved more success than any one of those to whom Canada has given power of attorney. I do not say that to depreciate him. I have high regard for him, and I have known him for a longer time than have many other members of this house. I believe the Department of External Affairs should not be guided by London or by the united nations, but rather that it should be guided by the love of Canada. I have decided not to make a long speech about the matter. I regret to the utmost extent that all the sacrifices which Canada made during the war —sacrifices of money, food, but mostly of men and women—have served no useful purpose. We were told at first, "Make these sacrifices to bring peace again to this world." The sacrifices have been made and the condition is still worse than at the end of hostilities. Of course, there are some dreamers who still believe in utopia, while our ears are ringing with the broadcast that sooner or later—and rather sooner than later—we shall again have war. What a calamity! Some people find it normal that the youth of this country should be exposed to destruction every ten years. How is it? We may have war; we may not. I hope not. God forbid that we should have another war for many years to come. I hope that we shall not. I hope that our country will go back to the old tradition of patriotism, of love of country, and the policy that charity begins at home. Then we shall have no reason to complain, and it will probably be not only the best way to serve Canada but also the best way to serve the British empire as well as the whole world.

The house divided on the motion (Mr. Dion) which was agreed to on the following division:

YEAS

Messrs:

Abbott
Baker
Beaudoin
Beaudry
Belzile
Benidickson
Bertrand (Prescott)
Boivin
Bourget
Bradette
Brown
Chevrier
Clark
Claxton
Cleaver
Cloutier
Coté (Matapedia-Matane)
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cournoyer
Croll
Cruickshank
Dechene
Denis
Dickey
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Dubois
Emmerson
Eudes
Farquhar
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gardiner
Gariépy
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gibson (Hamilton West)
Gingues
Gladstone
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Gregg
Hallé
Harris (Grey-Bruce)
Hartt
Howe
Ilsley
Isnor
Jean
Jutras
King, Mackenzie
LaCroix
Lafontaine
Langlois
Lapointe
Laurendeau
Leger
Lesage
Little
McCann
McCubbin
McCulloch (Pictou)
McDonald (Parry Sound)
McIlraith
MacKinnon
MacLean
MacNaught
Marier
Marquis
Martin
Matthews (Brandon)
Maybank
Mayhew
Michaud
Mitchell
Mullins
Mutch
Nixon
Parent
Picard
Pinard
Pouliot
Power
Raymond (Wright)
Reid
Richard (Gloucester)
Rinfret
Robinson (Simcoe East)
Ross (Hamilton East)
St. Laurent
Sinclair
Sinnott
Smith (York North)
Stuart (Charlotte)

Tremblay
Tucker
Viau
Warren
Weir
Whitman
Winkler
Winters—107

NAYS

Messrs:

Adamson
Archibald
Argue
Ashby
Aylesworth
Barrett
Bentley
Blackmore
Blair
Boucher
Bowerman
Bracken
Bradshaw
Brooks
Bryce
Burton
Campbell
Caouette
Case
Casselman
Castleden
Charlton
Church
Coldwell
Daniel
Desmond
Diefenbaker
Dorion
Fair
Ferguson
Fleming
Fraser
Fulton
Gagnon
Graydon
Green
Hackett
Hansell
Harkness
Hatfield
Hazen
Henderson
Herridge
Hlynka
Hodgson
Homuth
Irvine
Jackman
Jaenicke
Jaques
Johnston
Kidd
Knight
Knowles
Kuhl
Lockhart
Low
McCuaig
McCullough (Assiniboia)
Macdonnell (Muskoka-Ontario)
McGregor
MacInnis
McKay
McLure
McMaster
MacNicol
Matthews (Kootenay East)
Menary
Merritt
Moore
Murphy
Nicholson
Pearkes
Probe
Quelch
Raymond (Beauharnois-Laprairie)
Ross (St. Paul's)
Ross (Souris)
Rowe
Shaw
Skey
Smith (Calgary West)
Stephenson
Stewart (Winnipeg North)
Stokes
Strum, Mrs.
Thatcher
Townley-Smith
Tustin
Webb
White (Hastings-Peterborough)
White (Middlesex East)
Wright
Wylie
Zaplitny—95

Mr. MACDONALD (Brantford City): I was paired. Had I voted, I would have voted for the motion.

Mr. CARDIFF: I was paired. Had I voted, I would have voted against the motion.

Mr. MALONEY: I was paired with the hon. member for Northumberland, Ont. (Mr. Drope). Had I voted, I would have voted for the motion.

Mr. MARSHALL: I was paired with the hon. member for Fort William (Mr. McIvor). Had I voted, I would have voted against the motion.

[Mr. Pouliot.]

(Translation):

Mr. BONNIER: I was paired with the hon. member for Simcoe East (Mr. Robinson). Had I voted, I would have voted for the motion.

(Text):

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

That the address be engrossed and presented to His Excellency the Governor General by such members of this house as are of the honourable the privy council.

Motion agreed to.

BUSINESS OF THE HOUSE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, it is customary at this point, after the address has been voted, for the house to set up the two committees of the whole, namely the committee of ways and means and the committee of supply. That has already been done, so that there is no necessity to repeat the procedure.

It is customary to table the estimates, if possible, immediately after the debate on the speech from the throne is completed and the address in reply has been carried. The Minister of Finance (Mr. Abbott) is now in a position to table the estimates.

MAIN ESTIMATES, 1948-49

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1949, was presented by Hon. Douglas Abbott (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.

WAYS AND MEANS

EXCISE TAX ACT AMENDMENT

The house again in committee of ways and means, Mr. Macdonald (Brantford City) in the chair.

That it is expedient to introduce a measure to amend the Excise Tax Act and to provide:

1. That on and after November 18, 1947, there shall be imposed, levied and collected an excise tax of twenty-five per cent (25%) on the following goods imported into or manufactured or produced in Canada: (a) the following electrical appliances, grills, waffle irons; hot plates, roasters; kettles; chafing dishes; food or drink mixers; juice extractors; coffee makers; toasters of all kinds; portable humidifiers; curling irons or tongs; hair dryers; permanent waving machines and spacers or clamps; rods and heaters therefor; razors and shavers; food choppers and

grinders; irons and ironers; vacuum cleaners and attachments thereof; garbage disposal units; floor waxers and polishers; (b) electric or gas refrigerators or freezing equipment, and coils, condensing or compressor units, cabinets, boxes, evaporators and expansion valves therefor; air conditioning, cooling or filtering equipment, and complete parts thereof; oil burners and oil burning equipment; all the foregoing when adapted to household or apartment use or when for use in places of entertainment, amusement or recreation, including rinks, auditoria, halls and clubs; (c) articles and equipment designed for use in golf, tennis, badminton, squash, racquets, polo, billiards, pool, bowling and curling; fishing rods and reels; (d) firearms except for military or police purposes; (e) engines or motors for use in boats or vessels, except when the boats or vessels are to be used exclusively in commercial or industrial enterprises; (f) outboard motors; (g) motorcycles, and all other two- or three-wheeled motor-driven vehicles including motors for attachment to bicycles but not including vehicles designed for use by invalids; (h) musical instruments of all kinds, not including organs for churches; (i) projectors for slides, films or pictures designed for industrial or professional photographers' use; and (j) toilet articles of all kinds, including combs, mirrors and brushes except tooth brushes, not coming with any other item in schedule one of the said act.

2. That on and after November 18, 1947, the rate of excise tax on automobiles adapted or adaptable for passenger use with seating capacity for not more than ten persons each, imported into or manufactured or produced in Canada be increased from ten per cent to the following rates, namely, on automobiles valued at $1,200 or less, 25 per cent over $1,200 but not more than $2,000, 25 per cent on $1,200 plus 50 per cent on the amount in excess of $1,200; over $2,000, 25 per cent on $1,200 plus 50 per cent on $800 plus 75 per cent on the amount in excess of $2,000.

3. That on and after November 18, 1947, the rate of excise tax on phonographs, record-playing devices, radio broadcast receiving sets and tubes therefor, be increased from ten per cent to twenty-five per cent.

4. That on and after November 18, 1947, the rate of excise tax on cameras, photographic films and plates, projectors for slides, films or pictures, except those designed exclusively for industrial or professional photographers' use, be increased from ten per cent to twenty-five per cent.

5. That on and after November 18, 1947, electricity and gas used in dwellings be exempt from consumption or sales tax; and

6. That on and after November 18, 1947, the excise tax of one per cent per pound on sugar, grape sugar, glucose, sugar syrup, corn syrup, etc., be repealed.

The CHAIRMAN: When the committee last sat it was considering an amendment moved by the Minister of Trade and Commerce to amend the resolution.

Mr. DIEFENBAKER: Mr. Chairman, some ten days ago the hon. member for Muskoka-Ontario and the hon. member for Moose Jaw referred at some length to the action of the Minister of Finance on November 18 last in his radio broadcast of that day when he, bringing a new facet to parliamentary government, imposed taxation in this country by a radio speech, coupled with the telephone. I have read the explanation of the Minister of Finance in regard to his action and I feel that too little attention has been paid to the action of the minister. The only conclusion I can come to is that parliament and the people of this country are becoming inured, as it were, to the political erosion of democratic rights which has so frequently taken place within the last few years on the part of this government.

The minister, in reply to the speech and the criticisms of the hon. member for Moose Jaw, first took the stand that there had been no order in council to justify the imposition of taxation under the Excise Act after November 17. He said there was no order in council. The reason he took that position no doubt was that the Minister of Justice last year promised the house that orders in council under the War Measures Act or its successor, the transitional powers act, would no longer be used by this government. So, instead of an order in council, the Minister of Finance made an advance, a retrograde advance, if I may call it such, in parliamentary life. All it lacked was television so that, in addition to the mellifluous tones in which he imposed his taxation, the people would have been able to see his smiling face as he imposed it.

I took it upon myself to go to the library of parliament for the purpose of ascertaining whether ever before, anywhere, taxation had been imposed either by order in council or upon the mere *ipse dixit* of a minister or a member of the executive. I went back to Magna Carta and carried on through the reigns of Henry VII and Henry VIII and found that the last occasion on which anybody had ever endeavoured to do that—yes, the minister remembers it because I heard him saying "ship money"—the last person who tried it was Charles I, when he endeavoured to impose ship money, and I thank my hon. friend for having looked up history himself.

Mr. ABBOTT: I did not have to look it up. I knew it.

Mr. DIEFENBAKER: That makes the offence all the more serious. Only the other day the minister was asked if it had ever taken place.

Mr. ABBOTT: And I said that so far as I knew it had not.

Mr. JOHNSTON: What happened to Charles I?

Mr. DIEFENBAKER: History shows that he lost his kingly head, and that may not be out of the way when it comes to the head of the present administration.

Speaking seriously I believe that no more brazen abuse of parliament has ever taken place in our country than the action of the minister on November 17. He cannot justify it. First, he tried to justify it by telling the hon. member for Moose Jaw that there was no order in council. Then, at page 1540 of *Hansard* the hon. member for Moose Jaw said:

> On November 18 last he imposed by order in council, or he applied by a notice of some kind, a tax of 25 per cent on a long list of commodities.

To which the Minister of Finance replied:

> No order in council; no taxes yet imposed.

What that answer means I do not know, because hundreds of thousands of dollars of taxation have been imposed and collected from the Canadian people since that day. I now go back to history. Some may say: of what interest is history at this time? To those who say that, and I hope the minister does not, let me say that the right hon. leader of the government in the past has quoted history, but never in the past has he had an opportunity to deal with so flagrant a misuse of the powers of the executive in this country as in this case. I am not going to quote from Magna Carta except in one particular:

> No scutage nor aid shall be imposed in our kingdom, unless by the common council of our kingdom.

There were exceptions then, but I do not think the government of this day comes within those exceptions, which were:

> . . . excepting to redeem our persons, to make our eldest son a knight, and once to marry our eldest daughter, and not for these, unless a reasonable aid shall be demanded.

The government's action obviously does not come within those exceptions. Coming down now to the time of Henry VIII, I find in "British Financial Administration," at page 266, the following:

> The struggle of the house to control the public purse has been one to control the power of the crown to impose taxation rather than the power to expend money.
>
> All of its efforts were directed to the establishment of the principle that no new burden could be imposed upon the people without its consent.

Then Davenport on "Parliament and the Taxpayer" clearly sets out that no parliament not sitting can delegate to anyone the authority to impose taxation or to collect taxation. I could give numerous quotations in that regard.

The minister quite frankly admits now that it has never been done since 1628 at the time of the imposition of ship money.

Finally, during the period of Cromwell, Cromwell tried it once and never tried it again. There was a case tried about that time, namely, the Bates' case, which again sets forth the principle that taxation cannot be imposed when parliament is not in session. I refer to Prothero's "Statutes and Constitutional Documents 1558-1625":

> I hold them all in one degree . . . without the subject's free and voluntary assent, and that in parliament.

There can be no imposition of taxation except in parliament.

Then again, because the whole history of our times consists in the right of parliament to deny the executive the opportunity to impose taxation when parliament is not in session the government has used the emergency doctrine, and is using it today to destroy the constitutional rights of the province. It builds up in this country a centralized authorized which finally has its culmination in the action of a minister of the crown doing what the Minister of Finance did on this occasion. I refer now to Morgan on "The History of Parliamentary Taxation in England" because I want to give the complete picture. At page 288 this is said:

> The statutes of the realm provided in most emphatic language that no tax should be levied on the subject without the consent of parliament.

I know what my hon. friend said the other day. He said we are doing the same thing as is done each year when the budget is introduced. I shall answer that in a moment. The Bill of Rights of 1689 points out that it is illegal for the imposition of any taxation by the executive or by the king when parliament is not in session. That principle is repeated over and over again. E. H. Young in his book "The System of National Finance", recognized everywhere as an authority on the subject says this at page 50:

> Before a penny can be extracted by the state from the pocket of a taxpayer or a penny spent or a pennyworth of liability incurred, a law must be passed to authorize it. . . . The principle has the most distinguished origin; it is one of the few actually rooted in Magna Carta, out of the many which are traditionally supposed to be.

A little later on he says this:

> Magna Carta and the Bill of Rights leave no room for any confused idea that the crown has any shred of prerogative to impose, increase, or reduce taxation, or to alter its incidence,

independently of parliament. Runnymede was the beginning of the end of prerogative imposts, and the revolution was their grave.

There, sir, is the picture from 1215 to 1947; and, with only one exception, never after the development of parliamentary government either in Britain or in any of the self-governing dominions has taxation been imposed as a result of the simple statement or the fiat of any one minister. I could quote in support of that Durell, "On the Function of the Committee of Ways and Means", in which he points out clearly that any taxation imposed such as that would be unconstitutional, uncollectable and unjustifiable. How did the minister go about it? The government knew in August last what this situation was. It realized that we were losing out on United States dollars, and after it realized that fact the minister took a trip one way, the Minister of National Defence another way, and the then Minister of Veterans Affairs took another. They waited until November 18; then, on that night by a simple statement, without any authority, the following notice went out:

Until further instructed take all customs and excise entries presented on and after eighteenth instant subject to amendment. Notify outports by wire: The following are the provisions of special resolutions affecting the Excise Tax Act and the Customs Tariff, to be introduced in parliament at the coming session. Please note particularly that these resolutions are effective today.

And to add to the sham, there is attached to it as part of the document the following:

The Excise Tax Act. Resolved that it is expedient to introduce a measure to amend the Excise Tax Act and to provide:

1. Effective on and after November 18, 1947, an excise tax of 25 per cent is imposed on the following goods.

The minister very well realized—because tonight at last he has admitted the fact—that this had never been done before, and it cannot be answered by a simple facetious answer either. We are becoming accustomed—

Mr. ABBOTT: It can be answered by a simple answer, though.

Mr. DIEFENBAKER: My hon. friend is an authority on simple answers when he endeavours to answer the hon. member for Moose Jaw by saying there is no order in council and no tax. But the answer he gives is this: the same thing is done every year on the budget. Let us examine that. I have before me—and I do not intend to read them—quotations from various books on the subject showing clearly that his answer in that regard amounts to a subterfuge and does not answer the problem for us.

Mr. ABBOTT: That was not his only answer.

Mr. DIEFENBAKER: What is the other one?

Mr. ABBOTT: If my hon. friend wants to sit down I shall give it to him, but I presume he would like to finish his speech.

Mr. DIEFENBAKER: I want the minister to add to it because we have only three now. Are there any more?

Mr. ABBOTT: I will answer my hon. friend as soon as he is finished.

Mr. DIEFENBAKER: There have not been any other answers since 1628. I am glad to see that the minister has figured out one that will answer this situation. It is pointed out in every volume dealing with constitutional development that when the minister comes before parliament and presents his budget he makes his motion. That motion is offered before he starts his speech in order to give him the opportunity to get the floor. He makes the following motion:

That Mr. Speaker do now leave the Chair for the house to go into committee of ways and means.

Parliament is sitting. When he makes that motion he points out that on and after this day taxation is to be imposed, provided that parliament accepts. If parliament does not believe that the taxation which the minister intends to impose should be imposed, then it defeats him there and then upon his motion to go into supply.

Mr. ABBOTT: They can still do that.

Mr. DIEFENBAKER: Certainly parliament can still do that, but my hon. friend does not answer this situation. If he can impose taxation—

Mr. ABBOTT: He has not imposed taxation.

Mr. DIEFENBAKER: My hon. friend says he has not imposed taxation. What do you call this? Money taken from the people, 25 per cent collected from men and women across the country, and the minister says, "We have not imposed taxation".

An hon. MEMBER: He has my two bits.

Mr. DIEFENBAKER: If that was all he had of the people's money there would not be much complaint about it. Here is the situation, and no amount of facetious utterance can answer this question. Never before did any minister attempt this, and I will give the minister an opportunity when he answers to show me whether he asked the advisers, the law officers of the crown, for an opinion. Did

he ask whether or not this could be done? If he says he did, I would very much like to have laid on the table of the house the opinion of any reputable constitutional lawyer that the minister's conduct in this regard was justified. His whole attitude is this: The king can do no wrong. I can do no wrong. I can impose taxation two weeks before parliament meets.

Mr. ABBOTT: Oh, rubbish! I never took any such attitude.

Mr. DIEFENBAKER: Rubbish, he says. He is a good judge on that point. Sometimes the minister seems to think that finance minister and facetious minister are synonymous terms. I am dealing with the matter seriously—

Mr. ABBOTT: Very clever.

Mr. DIEFENBAKER: —and I am asking the minister not to take that attitude—

Mr. ABBOTT: I will answer and answer seriously.

Mr. DIEFENBAKER: —but to tell the people of the country whether in the imposition of this taxation he received an opinion. You cannot play on words by saying that taxation is not imposed. The people who pay do not understand the subtleties of the minister who says that while you pay you are not being taxed. If that be so, there is even less justification for what is being done. If they are not paying taxation, then they are paying an impost imposed by a minister of the crown, by himself, which is even more serious than the imposition of taxation.

I have again gone through the reports from the library. No minister anywhere—and I repeat this—ever had the effrontery to appear before parliament and say, while we are extracting thousands of dollars from the people—indeed millions, as it will be over a period of time and possibly is already—what we are doing is not imposing benevolences but simply asking the people to pay something which is not a tax, but which was called an excise tax when a letter went forth from the deputy minister of national revenue on November 18.

Furthermore, I should like the minister to say by what authority he notified David Sim, deputy minister of national revenue, customs and excise, to send out this notice to customs officers. Certainly it was not on the basis of any precedents, certainly not on the basis of any constitutional rule. I should like him to answer this question when he gives the legal opinion, because he must have had a legal opinion, since he did not wish to use for a different purpose the other act, the Foreign Exchange Control Act, which parliament passed for a particular purpose.

I see the Minister of Justice here too, and I should like to hear from him, whether, as the chief law officer of the crown and custodian of justice in this country, he gave the Minister of Finance an opinion that taxation could be imposed in the manner in which it has been imposed in this particular case, and still not be taxation.

I reserve some further remarks until the minister has advanced some reasons as to the constitutionality of this measure. Having gone through the reports, and having submitted the question to constitutional authorities in this country. I can find no one anywhere who has ever justified or attempted to justify the action on the part of the minister and the government in what it did on November 18.

Mr. ABBOTT: I will not attempt to imitate either the forcible language or the gestures of my hon. friend the member for Lake Centre on this matter of the imposition of this excise tax. In my announcement in the broadcast of November 17, and on several occasions since, I have explained the government's attitude in that respect.

No one has ever suggested for a moment, and least of all myself, that any minister of the crown or anyone else can impose taxation without the authority of parliament; but the position, so far as this proposed tax is concerned, is this. When I made my announcement on November 17, when the government had decided on various measures which it felt it was desirable to take in order to endeavour to correct our exchange situation, those measures, broadly speaking, fell into three categories. First, there were the purely restrictive measures in the nature of import restrictions; second, there were the fiscal measures which are now being considered; and, third, there were constructive measures to expand to hard currency countries.

The question as to whether the announcement of that program could or should be deferred until parliament met early in December was considered, and it was felt that, in view of the rate at which we were losing United States dollars, that action could not be deferred. The second question then arose as to whether the policy should be announced with respect to the import restrictions and, broadly speaking, the constructive measures, leaving the fiscal measures to be announced when parliament met. The question arose as to whether or not that should be done and after very careful consideration, I came to the conclusion, and

my colleagues agreed with me, that the whole policy should be announced at the same time in the broadcast I made on November 17.

I was perfectly well aware, and the members of the government were well aware, that up to that time the government's proposal to impose taxation had not been announced when parliament was not sitting. It would have been, of course, perfectly open to the government to say, "When parliament meets we intend to ask the house to impose excise taxes of this kind," but every member of the committee would realize that that course of action would be unthinkable. It would have allowed speculative advantage to be taken by anyone who cared to do so. So that the conclusion was arrived at that we should announce our whole policy at the same time, and I should announce that when parliament met parliament would be asked to impose certain excise taxes retroactive to November 17, the date on which I made my announcement. And that is what parliament is being asked to do today.

As I have said on a number of occasions, no one is today under any legal obligation to pay these taxes. One may say, "Yes; they are paying them." Of course they are paying them, but the public assumes that parliament will pass these taxes and make them effective, as the government has asked, from the 17th day of November, 1947. If parliament does not pass them, everyone who has paid such a tax will be entitled to a refund. That is the position and it is just as simple as that.

An hon. MEMBER: Do you get interest on it?

Mr. ABBOTT: I have never contended, nor has any member of the government contended, that in law these taxes are effective today. They are not effective until parliament has seen fit to pass the appropriate legislation. There is a difference, it is true, between the situation as it exists today and the situation that exists when the Minister of Finance announces, while the house is in session, that certain taxes are proposed and will be made effective from the date of his announcement. The taxes, as everyone knows, are not passed as a rule until some weeks afterwards. The difference in this case was that I announced some two or three weeks in advance of parliament being in session—although it had been announced that parliament was called—that it was the government's intention and my intention, when parliament was convened, to ask parliament to enact these particular taxes effective from November 17. The conclusion that I arrived at and that the government arrived at after a great deal of consideration was that the circumstances were so exceptional and the emergency was so great that that action should be taken. It is open to any hon. member to criticize that action, but it is not correct to say that taxes were imposed without the consent of parliament, because they were not.

Mr. JAENICKE: I listened with a great deal of interest to the minister and also to the hon. member for Lake Centre. I am sorry, but I cannot agree at all with the minister in his position and in his attitude. I must endorse the argument of the hon. member for Lake Centre. I think the strong language he used was entirely justified. I myself have done some reading in connection with this matter, and I came to the same conclusion as the hon. member for Lake Centre, but possibly in a different way. As a matter of fact, I go farther than he does. I maintain that the minister has no power to impose any taxation even when parliament is in session.

Mr. ABBOTT: The minister agrees with you.

Mr. JAENICKE: That is, as far as Canada is concerned. I found my law in Anson's "Law and Custom of the Constitution", volume 1, the fifth edition, where I find the following:

> It is usual for any resolutions of the committee of ways and means agreeing to the renewal of old or the imposition of new taxes to be passed on the day on which the chancellor of the exchequer makes his annual budget statement to the committee; and it had long been the practice to treat them as having the force of law and to begin forthwith the collection of the taxes to which they referred. This practice was convenient to the exchequer, and not inconvenient to the taxpayer; but its legality was challenged in the case of Bowles vs. Bank of England.

That case is, I think, exactly on all fours with the present situation. The case is reported in Chancery (1913) at page 57. The facts of the case are shortly these. The plaintiff Bowles had some bonds and the Bank of England paid out the interest on those bonds. It must also be noted that at that time—that is, in 1912 and 1913 when this case was decided—the income tax act of Britain was a yearly tax act; it was not a permanent tax act. It was re-enacted every year in the month of April, and it expired in April, 1912. The intention was that it be re-enacted, and a resolution was presented to parliament. The interest on these bonds fell due in July, and the plaintiff notified the Bank of England not to pay the tax on that interest because it could not be legally collected. He finally

started an action against the Bank of England on the part of the subject, can be relied on by the crown as justifying any infringement of its provisions. It follows that, with regard to the powers of the crown to levy taxation, no resolution, either of the committee for ways and means or of the house itself has any legal effect whatsoever. Such resolutions are necessitated by a parliamentary procedure adopted with a view to the protection of the subject against the hasty imposition of taxes, and it would be strange to find them relied on as justifying the crown in levying the tax before such tax is actually imposed by act of parliament.

before July 1, claiming an injunction to prevent the bank from paying over the money. The bank finally paid the money into court. Here is the judgment. I may say the plaintiff pleaded his own case. I presume he was a barrister because it was a most learned argument that he put forward. I have some quotations from his argument. The hon. member for Lake Centre has already quoted Magna Carta. The plaintiff quoted Magna Carta. He quoted the Petition of Right. He quoted especially the Bill of Rights, upon which finally the question was decided, as I shall show later on when quoting the judgment of His Lordship Mr. Justice Parker. The attorney general was made a party or was given notice, and he intervened. His argument was the same as that which the minister gives to the house today, that it is a practice and has been a practice in all these years. The plaintiff, in refuting that argument, says this:

> The court is invited to believe that a resolution sufficed, that there need be no act, that vast powers of taxation have sprung from the mere opinion or resolution of a House of Commons, and that the taxing power has passed from parliament into the hand of the Department of Inland Revenue and the Bank of England. Resolutions in any case are unknown to this court. The only taxing power in this realm resides in parliament. The only authority to levy any tax, whether by deduction or otherwise, is to be found in an act of parliament. Where there is no act there is no taxing authority.
>
> Even if such a practice had existed as alleged in the defence ever since the imposition of income tax by the income tax act, 1842, that would not justify it. It cannot be pretended that the practice has grown into a custom which this court will recognize. Even if it has grown into a custom, it is a bad custom, to which the maxim *"Malus usus abolendus est"* applies.
>
> The principle that the subject cannot be taxed without consent, or otherwise than by law, is as old as history. It was affirmed by the laws of King Alfred. It was adopted and confirmed even by the laws of William the Conqueror.

Then Mr. Justice Parker delivers his judgment, and I quote from part of this as follows:

> This question may be stated as follows: Does a resolution of the committee of the House of Commons for ways and means, either alone or when adopted by the house, authorize the crown to levy on the subject an income tax assented to by such resolution but not yet imposed by act of parliament? Apart from the effect of certain provisions contained in the statutes relating to the collection of income tax, to which I shall presently refer, this question can, in my opinion, only be answered in the negative. By the statute 1 William and Mary, usually known as the Bill of Rights, it was finally settled that there could be no taxation in this country except under authority of an act of parliament. The Bill of Rights still remains unrepealed, and no practice or custom however prolonged, or however acquiesced in

I may say that this case did not go to appeal. No doubt the British government at the time thought, and rightly so, that this was good law and that there would be no use in appealing. So promptly they passed an act, known as the provisional collection of taxes act, 3 George V, chapter 3. In this act they are making legal the collection of taxes after the chancellor of the exchequer introduces his resolutions. But mind you, it applies only to an increase in an already existing tax or to the continuation of a tax that had been collected under a previous statute. It does not apply to any absolutely new tax as, for instance, the first portion of the resolution now before the committee applies to a tax which had not been applied before. I should like to read part of this statute:

> Where a resolution is passed by the committee of ways and means of the House of Commons . . . providing for the variation of any existing tax, or for the renewal for a further period of any tax in force or imposed during the previous financial year . . . the resolution shall, for the period limited by this section . . . have statutory effect as if contained in an act of parliament. . . .

We have no such statutory provision in Canada, and surely no one will contend that this British statute has any application here. Even if it did, the action of the government in imposing the tax last November would not be justified under such a law. The act goes further and says:

> The resolution shall cease to have statutory effect if it is not agreed to . . . by the house within the next ten days . . . and also if a bill varying or renewing the tax is not read a second time by the house within the next twenty days on which the house sits after the resolution is agreed to. . . .

And there is this further provision:

> The resolution shall cease to have statutory effect if parliament is dissolved or prorogued . . . or the resolution is rejected by the house. . . .

Then follows this provision:

> Where the resolution so ceases to have statutory effect . . . any money paid in pursuance of the resolution shall be repaid or made good and any deduction made in pursuance of the resolution shall be deemed to be an unauthorized deduction. . . .

The period for which a resolution shall have statutory force under this section shall be a period expiring at the end of four months. . . .

This law, as I said, is not in force in Canada. We have no such law here; therefore the common law as applied to our constitution is the law that applies, namely, that even in the budgetary resolutions, if the house is in session the government has no right to impose any taxes until an act of parliament is finally passed, unless the government passes such a law as was passed in Great Britain in 1913.

On the strength of these authorities and in the absence of similar legislation here, I maintain that the levying of this excise tax since last November has been entirely illegal. It strikes me now that perhaps parliament was called to meet for the two weeks before Christmas in order to give some semblance or colour of legality to these resolutions. Parliament being in session now does not help the government at all in the absence of an act such as this; and I repeat that when my colleague the hon. member for Moose Jaw protested the other day that the imposition of this tax was illegal he was on solid ground.

Mr. LOW: I should like to take a few minutes, Mr. Chairman, to place before the committee the position of the Social Credit group with regard to this resolution. I have listened with keen interest to the arguments that have been presented by my learned friends the legal men, and I must say that as I listened to both sides I found myself materially swayed toward the side of the speakers in the opposition who claimed that the minister had absolutely no legal ground to stand on when he imposed this tax. I have been especially interested in watching how the minister has squirmed on this thing.

Mr. ABBOTT: I have not squirmed at all. I have been perfectly forthright.

Mr. LOW: You have squirmed. As yet I have not heard a single good reason advanced by the minister for the action he took last fall. I am not going to argue the legality or illegality of the procedure followed by the minister. I do not feel competent to do that, particularly in the presence of brilliant legal men. But I think I can say without fear of successful contradiction that the kindest thing we can say about the way in which the minister went about imposing this tax—and regardless of what he said he did impose it; it is being collected and has been collected for months past—is that the procedure was highly irregular. That is about as kind as anyone can be.

Tonight the minister said the public assumes that parliament will ratify the actions of the minister. I say to him the public can assume only one thing; that is, that they are in hard luck to have a minister who assumes, as he does, that he can do this sort of thing and get away with it. And they are in hard luck. The public do not feel like assuming that they will get their money back if this is not passed by parliament, any more than they assume that they will get their tires back if a thief breaks into the garage at night and takes them away.

Mr. ABBOTT: A mere figure of speech, I hope.

Mr. LOW: The action of the minister becomes all the more serious, I believe, in view of what has been said here tonight and in light of the fact that he has not presented one good reason as to why it was necessary to impose the tax. In fact there has been no necessity emphasized. After listening to all that has been said by the minister; after having read and marked very carefully what he said in all his speeches pertaining to this matter, I do not believe he has emphasized at any time that it was necessary to impose the tax. It was not necessary from the point of view of revenue, and certainly it was not imposed upon him by the people of Canada. I have not heard a single one of my constituents or anybody else's constituents ask the government to impose this tax. I have heard hundreds of them, and have received letters and wires and what-not from other hundreds, demanding that the tax be taken off. In the light of these circumstances it seems to me the minister ought to rise in his place and justify the tax on the ground of necessity; and if he cannot, then he ought to allow the members of this assembly to decide the matter by a free vote. I will guarantee that the people on his side of the house would vote against it.

This represents just one more encroachment by a growing executive council dictatorship upon the powers of this parliament. We are becoming nothing more or less than a body of people to whom the ministers can come and say, "Here; take it or leave it." I protest that this is not democracy at all. Moreover, in spite of the minister's categorical denial on the evening of February 23, I maintain that this proposed tax is definitely and immediately inflationary. Over a long term I agree that what the minister said is possibly true, that it would become deflationary; but the minister has assured the house that this tax is but a temporary measure to meet a specific crisis. For that reason we must consider not the long-

term effect but the immediate effect of the tax. I contend that if inflation means anything at all it means a rise in prices. It is widely conceded, I believe, that this is the outstanding characteristic about a condition of inflation anywhere; and it must be perfectly obvious to anyone that this excise tax will have an immediate effect in causing a rise in the price of a good many articles the Canadian people want to buy.

Mr. BENTLEY: I am told the leader of the opposition does not believe that.

Mr. LOW: I do not know; I have not heard him say. But let me just say this, I contend that the tax will be immediately inflationary, and on two counts.

On the first count, in a direct way. For example, let us suppose a housewife goes into an electrical goods store and asks to buy an electric iron she has wanted for some time, but the purchase of which she has deferred because of the difficulty during wartime to get materials of that kind. Let us suppose that that electric iron is quoted retail at $8; and I think that is the ordinary price for an electric iron, although I am no expert in the matter by any means. She will have to pay 25 per cent excise tax, thereby bringing the price of the iron up to $10. Who in the world could argue that that is not inflationary, so far as the people who have to buy electric irons are concerned?

The minster may say that she can turn to something else as a substitute. But if she then proceeds to buy two sadirons which she can place on the top of a coal, gas, or electric stove she will find that the increased number of purchases of that type of iron will cause their price to go up. Certainly that is inflationary, from the direct point of view.

Then, on the second count, the tax is inflationary in an indirect way. I think even the minister expects that the tax will discourage the purchase of many commodities listed in the resolution. He implied as much when speaking in the house on the night of February 23 where, as reported at page 1543 of *Hansard,* he said:

> In the great majority of cases they are articles, the purchase of which the people can defer for a time.

A great many people will defer the purchase of these articles because the tax makes them altogether too expensive. And that will make considerably more money available for the purchase of other goods, the prices of which are bound to go up because of increased demand. Especially is that so on things where prices are not fixed. It is inevitable that such a situation will tend to push up prices generally. Surely no one will say that is not inflationary.

There is another phase of the matter to which I object strenuously. This tax will bring hardship to a great many Canadians. Returned men are trying to build and to furnish homes. There are families with children living in the country, where no ice is available for food preservation. There are farmers and businessmen who, for a good many years, have not been able to replace the old cars they have been using since, in many instances, before 1940. They will find it most difficult and in many cases impossible to buy new cars.

May I point out that today in a great many areas in Canada cars are looked upon as essential to farming. They are essential, if these people are to farm efficiently, as we want them to do. This proposed tax pushes up the price, and brings the lowest priced cars up by $350 or $400. Surely that makes it impossible for people to buy them.

There is another serious angle to which I object. It seems to me that the minister ought to ponder this carefully. I refer to the matter of loss of confidence on the part of the people who, all during the war, were urged to defer their purchases of a good many things and to put their money into government bonds. Virtually they were given a promise that, when the war was over, the government would do everything possible to see to it that they could buy those things which, for patriotic reasons, they had denied themselves during the war. I guarantee that if the government goes to the people of Canada again with a bond sale they will find out where the confidence of the people has been lost.

Mr. BURTON: They do not go to the people now. They go to their friends and get their money.

Mr. LOW: I have talked to scores of businessmen since this tax was imposed, and they complain that they have no more confidence in the government's ability to give leadership. I say it is essential and in the interest of Canada, its strength and its future, that the businessmen of this country should have confidence in the ability of the government to give leadership. But that is lost today.

Businessmen complain that they cannot plan ahead. They cannot stay in business, many of them, because they cannot get the goods, simply because of the imposition of this tax. The other day I spoke to an automobile dealer who had been accustomed to

bring in cars in the middle-class field from the United States. These cars have gone up $600 or more in price, and people will not pay the money. He is left with stocks of parts for repairs, and with a few cars on hand he cannot sell. But he cannot bring in any more, because the tax makes their sale prohibitive. I have no particular brief for men who are bringing in these automobiles from the United States. We realize that there have to be restrictions of imports from the United States so as to conserve dollars. But I do say this, that on top of the restriction which we have placed against those particular cars, we come along now and put on them an excise tax, which is simply adding insult to injury. It makes it impossible for businessmen to know how to plan.

The same is true of domestically produced cars, those in the Chevrolet and Ford class. Those cars, for which we used to pay about $1,100, cost from $1,900 or $2,000 today. It is ridiculous. It seems to me that the Canadian people have a legitimate right, on that ground alone to complain against the government.

For all these reasons, and for the further fact that this represents just one more tax upon an already tax-burdened people, I am definitely and implacably opposed to the resolution.

Mr. MERRITT: Has the minister anything further to say in defence of his conduct on the constitutional question?

Mr. ABBOTT: Is that a question or a statement?

Mr. MERRITT: A question.

Mr. ABBOTT: I have explained it on several occasions. I do not think I have very much to add. It is pretty clear, and obvious. It needs no defence.

Mr. MERRITT: In other words, the minister has no further explanation to make to the committee? Now, as I sat and listened to the hon. member for Lake Centre and the hon. member for Kindersley, and I saw that now all-too-familiar and facetious smirk on the minister's face—

Mr. ABBOTT: It is nothing compared with the smirk on my hon. friend's face.

Mr. MERRITT: —I thought that perhaps it had better be explained to the minister that tonight he is on trial before the House of Commons for his breach of the constitution.

Mr. ABBOTT: Dear, dear.

Mr. MERRITT: The situation is as serious as that, and cannot be laughed off, or met in any of the ways with which we are now too familiar; because if the minister cannot give the committee some constitutional foundation for what he has done, then I suggest to him that, as an honourable man, he should resign.

Mr. ABBOTT: Thank you, thank you.

Mr. MERRITT: I hear the minister say, "Thank you, thank you". I have no personal animus toward the minister; I am very fond of him, as are all the members of the house. But I wish to point out to him this, that in the house at Westminster, where they seem to have greater care for their constitution than has this government, the resignation of the Minister of Finance, the Chancellor of the Exchequer, after a breach of the constitution such as this, would be automatic. It would not have to be called for from the other side of the house at all. Indeed, I do not call for the minister's resignation; I suggest to him that if he cannot better justify what he did, then he should resign, himself, of his own volition—

Mr. ABBOTT: Oh, oh.

Mr. MERRITT: And he laughs again. But let me go on—so that our constitution may be preserved. That is the reason.

Mr. JACKMAN: Fifteen votes last time would have done it.

Mr. MERRITT: It is not a question of votes at all. We have had since this parliament assembled more than one breach of the constitution. Always the excuse on the part of the government has been that the safety of the state was at stake or that the emergency situation justified the setting aside of the constitution. On more than one occasion from this side of the house we have been obliged to call the attention of the government to these breaches of the constitution, but this one is the most serious of all.

Mr. ROBINSON (Simcoe East): To what breaches of the constitution does my hon. friend refer?

Mr. MERRITT: That is very easy. Magna Carta was breached by the manner in which the government handled the spy inquiry in January, I think it was, of 1946. The petition of right was breached when the government introduced their Militia Act one year ago. Because members of the opposition called that breach of the constitution to the attention of the government, the matter was set right by the imposition of a ceiling on our armed forces. Ever since the seventeenth century the constitution of this country, which, of course,

we took from Great Britain, laid down that the army was the army of parliament and not the army of the crown. By its legislation the government would have breached that principle, but we called the attention of the house to that breach and the government back-tracked.

Here we have a breach of the Bill of Rights of the reign of William and Mary. The hon. member for Kindersley and the hon. member for Lake Centre have given the member who questioned me chapter and verse of this breach of the constitution. I hope this short explanation will satisfy the hon. member that there have already been, on the part of this government, three breaches of the constitution. With respect to this most serious breach the hon. member who questioned me and who sits in the back row on the government side, and all other members of this house, have a duty to perform which is paramount to any duty they owe to their party. It is a duty to the constitution of Canada, a duty which every member of the house must carry out. If the government do not justify themselves or find a way in which they may excuse their conduct I call upon the hon. member who questioned me to remain in the house tonight and listen to this discussion, so that he may make up his mind that his duty is to see that our constitution is not set aside.

I want the Minister of Finance to pay serious attention to this problem because no member on this side of the house likes making the suggestion that I have made to him. I make it only because I think this house has one duty that transcends all others, and that is to see that our democratic constitution, our system of representative and responsible government, is maintained, particularly in these very trying times. We see country after country falling behind the "iron curtain" and their constitutions going down with them. This is a time in the history of the world when no government can afford to play fast and loose with the constitution, even on such ground as the minister has advanced, such as the peculiar circumstances and the exigencies of an emergency. I say that what the minister has done is much more serious than just collecting for the government a bit of money which he ought to pay back. What the minister has done is this. He has undertaken to use a means of raising money which our constitution does not permit. I want to point out to the minister and the government that the only difference between a democratic constitution and totalitarian rule is in the way you do the thing. A capital levy of 100 per cent passed through parliament would be perfectly constitutional. Our constitution is flexible enough to allow such a levy to be made within the four corners of the constitution. But a tax of one cent levied in the way in which the minister has levied this tax is entirely unconstitutional.

Mr. ABBOTT: It is not levied.

Mr. MERRITT: I suggest to the minister that he do not say that any more, for his position before the house tonight is too serious for that easy out.

The open announcement of a tax before an assembled parliament is an act of a responsible minister under a democratic constitution, but a decree hurled at people from a sound-proof radio studio is mere tyranny.

I call to witness an interesting press clipping which I cut out of the New York *Times* of March 1. The date line is Prague, February 29, and the article is headed "Czechs to impose totalitarian rule by edicts on radio—action committees, directed by broadcasts, will guide all activities in country".

Mr. ABBOTT: The next time I may do it by press release.

Mr. MERRITT: Yes, but I suggest to the minister that if he does not make a better explanation quickly and the members of this house sitting behind him do their duty, there will not be a next time for him. I want to read the first paragraph of this clipping, dated Prague, February 29:

> The reorganization of Czechoslovakia into a totalitarian-type state and society will be carried out by radio instructions, it was learned today. The action committees will receive their instructions by radio beginning tomorrow.

I suppose that the action committees in our case would be the officers to whom the hon. member for Lake Centre referred. It goes on:

> These committees are being built up into a tight hierarchy of intimate control covering every imaginable activity, from major ministries and enterprises down to the "table tennis association."

I suggest to the committee that the minister will be quite unable, except in the extent of the edicts, to differentiate between the method used by the Red premier in Czechoslovakia and the method used by the Canadian Minister of Finance in imposing these taxes. He can say that he has no action committees; he can say that he is not going to extend his decrees any wider, or something like that, but in the method used there is no difference at all. This is something which this committee must face up to and deal with before we are through.

When I make these comparisons between what is done in totalitarian states and what

is done here in Canada I do not do it unkindly to the minister. I know, and I give him full credit for this, that this was never his intention; nevertheless he has done it.

I want to refer to one further matter. The minister has said that he has never imposed the tax; the tax is not on; you do not have to pay it if you think you can get away with it or something to that effect; or if you do not want to pay it until later when it is made into law by parliament. He calls it a proposed tax. He says that no one is under legal obligation to pay it, and he makes trifling excuses of that sort. But I want to call the attention of the committee to this aspect of what the minister has done. The minister has presented the committee with a *fait accompli.* The thing is on. We can sit here for the rest of this session, and the government by not bringing forward this measure can continue to collect taxes for six months and it would not make a single bit of difference to the government and their conduct of public affairs whether they got the approval of parliament or not. They could go on collecting under this system so long as they wished so to do.

We saw when we had the debate on Bill No. 3 in this house what a tremendous weapon a *fait accompli* puts in the hands of a government. They are not coming before the house asking for some power from parliament that they do not now possess, and perhaps have to get within a certain time, therefore having to be conciliatory to the house and to answer questions of opposition members. No; they come in with their legislation in effect, with the *fait accompli,* and then they can stand up and be rude and refuse to answer questions and be facetious and taunt members of the opposition who are trying to do their duty and find out what it is that the government has in its mind. This *fait accompli* is a very dangerous mechanism. The *fait accompli* was Hitler's favourite weapon before the war. He always walked in over the week end when parliaments were not in session, and when people complained afterwards he said, "Oh, is that not too bad? I am here now; what are you going to do about it?" That is the position which this government is trying to assume over its emergency measures, and particularly with regard to this measure.

Mr. ABBOTT: There is one difference; my hon. friend is still talking about it.

Mr. MERRITT: I may say to the minister that I shall be talking about it for some time and I think I may promise him that so will he.

Mr. ABBOTT: I was just pointing out that there was one difference. I have plenty of time.

Mr. MERRITT: I want to suggest this to the minister. His very attempt to defend this unconstitutional act before this house and to get the house to condone his act and to adopt it will do more harm to the constitution than would the act itself. What he has done is patently illegal and everybody in the country knows it. But if this parliament accepts his excuse and put the seal of our approval upon what he has done, then any minister of finance in any government which may follow after will have a precedent, sanctified by parliament, upon which he can act. He will not feel compelled to call the house within two weeks of his illegality. He can just let it run for a year; indeed he can let it run and not call parliament so long as he gets his money in. We know that. That is what history teaches us; that is why we find an authority on the constitutional history of England, Maitland, saying at page 309 of his work, after pointing out how James II had continued to levy taxes for a period of two months by the pretence of prerogative without grant from parliament, that the Bill of Rights was passed. He concludes thus:

> This we may say is the last word on this matter—one great chapter of English history has been closed.

We find now, in the year 1948, that Maitland was wrong and the great chapter in British constitutional history has been re-opened by the minister who is sitting in this committee tonight.

I am not going to say any more at this moment. I hope we shall hear much on this matter before we are through with this resolution. I simply want to say to the minister once more that the constitution is a sacred thing and not even a well-meaning minister can break it with impunity. In Great Britain only within the last few months a minister in the socialist government, the opposite number to our Minister of Finance, because he talked to a newspaper reporter by inadvertence fifteen minutes before he entered the house to make his budget speech, afterwards resigned of his own volition without demand from the opposition. He resigned, not because anyone thought that the minister himself had done anything to shame him, not because anyone wanted to see the minister cast down, not because anyone did not respect him, but simply because that minister respected the constitution more than he respected his own hide.

Mr. ABBOTT: This has nothing to do with the constitution. His statement was not a public statement; mine was. There are a few points of difference. Mine was a public statement to the people of Canada; his was a statement to a newspaperman.

Mr. MERRITT: It gets weaker and weaker.

Mr. ABBOTT: What is known as a leak.

Mr. MERRITT: It gets weaker and weaker.

Mr. ABBOTT: I am only answering my hon. friend's analogy. There is no analogy at all.

Mr. SKEY: You just said you were going to tell the press the next time.

Mr. ABBOTT: It would be a statement to all the press and not to one newspaper reporter. It would be again a public statement.

Mr. MERRITT: The minister said he would do it by a press release the next time.

Mr. ABBOTT: I jokingly said I might issue a press statement the next time.

Mr. MERRITT: I know, but the minister is joking too much, and I hope we shall impress upon him that this is a matter over which he cannot joke.

Mr. ABBOTT: My only reason for interrupting was to point out that the hon. member was trying to draw an analogy which does not exist.

Mr. MERRITT: I will agree with the minister that there is one great difference between the two situations.

Mr. ABBOTT: My statement was made so that everyone in Canada would know what was intended.

Mr. MERRITT: As an hon. member has just said, so was Gottwald's statement made so that everyone in Czechoslovakia would know what was intended.

Mr. ABBOTT: Cheap stuff, very cheap stuff, if I may say so.

Mr. MERRITT: The minister says, "Cheap stuff".

Some hon. MEMBERS: Yes.

Some hon. MEMBERS: Hear, hear.

An hon. MEMBER: Expensive stuff.

Mr. MERRITT: I stand here and say that I am not making my remarks lightly. I do not hold the constitution cheap.

Mr. ABBOTT: Neither does the minister.

Mr. MERRITT: I am not going to be satisfied to see this passed off, and I warn the minister of that.

Mr. ABBOTT: You have your vote the same as anyone else in the house.

Mr. MERRITT: The minister says that there is no analogy between the Dalton case and his own case.

Mr. ABBOTT: I find it hard to see any. There may be some but I cannot see it.

Mr. MERRITT: The difference is, of course, that in the Dalton case the offence was less heinous. In the Dalton case the house was in session. The minister acted by inadvertence; no harm was done; no tax was collected; no speculation took place. But the minister never gave it a second thought. He knew he had done wrong and he resigned. He will probably be reinstated. My hon. friend's career would not be long interrupted if he respected the constitution. In that case what happened was known as a budget leak, and the only difference I can see between that act of momentary carelessness and the minister's studied disregard for parliament is that one is called a budget leak and the other might be termed a budget deluge. That may be the distinction to which the minister is referring. I will say no more in that regard at the present time. I am sorry that the minister does not seem to realize that his act is a very dangerous one for the stability of our constitution. I am sorry, too, that I have had to raise the matter in the way I have done. But I feel it my duty to raise this issue in its most blunt form, because in my opinion no more serious or more important issue has faced the house since I have sat here as a member.

Mr. ABBOTT: That is not very long.

Mr. KNOWLES: Mr. Chairman, there is a good deal of laughter and derision coming from the other side of the house tonight, but I should like to ask the Liberals for just a moment to consider what the situation would be if the tables were turned.

Mr. MARTIN: No chance of that happening.

Mr. KNOWLES: Just suppose, to stick to a hypothesis, that the Tories had been in power—

Mr. MARTIN: That is impossible.

Mr. KNOWLES: —and that a Tory minister of finance had done what the Liberal Minister of Finance has done. Suppose hon. members

opposite were sitting over on this side of the house, professed Liberals as they are. In that case, the language used on this side of the house tonight would have been mute compared to the rafter-ringing eloquence we would have heard from the Liberal members about the sacredness of the constitution.

Mr. GRANT: They would have been better speakers.

Mr. KNOWLES: I would suggest to hon. members opposite that if they have any doubt about their ability to make good speeches on the constitution, if they have any modesty—and they are not revealing it at this moment—they go back to *Hansard* for the period from 1930 to 1935. I suggest that they study in particular the debate on what was known in that period as Mr. Bennett's blank cheque legislation. Led by their leader, a professed Liberal, they devoted pages and pages of *Hansard* to denouncing the unconstitutionality of that legislation proposed by Mr. Bennett. I suggest that this is no subject for the kind of derision that is being revealed on the opposite side tonight. I suggest, in fact, that the laughter and the attempt to slough off this issue is an indication that their consciences are being pricked. It means that there are still a few small "l" liberals among the big "L" Liberals, and they realize that this practice is completely unconstitutional.

The Minister of Finance has tried to base his whole argument, in defence of what he has done, on the ground that there is not a great deal of difference between an announcement of tax changes over the radio two weeks before parliament meets and an announcement of such changes in the house itself. The hon. member for Lake Centre pointed out that there is a considerable difference, but my colleague the hon. member for Kindersley has gone on to indicate, on the basis of a study he has made of British parliamentary practice, that even to impose at the time when it is announced in the house a tax that has not yet been passed by parliament is unconstitutional.

It is all right to shout that there was a situation which demanded it. Expediency is never an excuse for departing from the constitutional way of doing things, and I submit that what this situation calls for is serious attention by the government to the case which the hon. member for Kindersley reported here tonight. It seems to me that, on the basis of the experience in 1913 in the United Kingdom, we should have here on our statute books a general law giving the government powers of this kind within a limited period such as is set out in the United Kingdom legislation.

I do not think there is any doubt as to the validity of the case which the hon. member for Kindersley made, that the collecting of any tax before it has been passed by parliament is invalid, even though it may have been announced in parliament by a resolution referred to the committee of ways and means. I call on liberal members opposite—liberal members with a small "l"—to take this matter with the seriousness it deserves and deal with it in their own caucus if they are not prepared to deal with it on the floor of the house, and try to help those of us who are fighting for a principle on this side of the house to get back to the proper constitutional way of doing things.

I have before me a paper which does not support the government, but that does not matter. Some other papers can express good ideas now and then, and this one is the Montreal *Gazette* of February 26, 1948, in which there appears an editorial under the title "Democracy of Deviations Unsound." As a matter of fact I commend to small "l" liberals the reading of the whole editorial, but there are one or two sentences in particular that I should like to call to the attention of the committee tonight. To begin with, I will quote the last paragraph, which reads:

> All those in parliament and out of it who work for the preservation of democratic procedures of government are not engaged in a dreary pedantry.

That is what hon. members opposite think the opposition is doing, but it is not. To continue:

> They are those who realize that the best way to preserve freedom is never to admit a precedent for taking it away.

Let me go back and read one or two other sentences. After discussing the tendency for things to be done by the boys in the back room and pointing out that this is not a good practice, even though the boys in the back room may for the time being be good democrats, the *Gazette* says this:

> And when voices then are raised for the democratic ways to be followed, they seem to speak, not only out of turn, but out of time, and to be trying to call back old and outmoded things, long since shattered by other usages.

I regard it as tragic that it is possible in this day and age in Canada for editorials like that to be written, and that it is possible for a responsible newspaper editor to feel that there is something out of turn and out of time when people call for strict observance of the democratic and constitutional way of doing things. I will not take longer to read other quotations

from that editorial; I shall merely again recommend it to such small "l" liberals as there are across the way.

I wish just briefly to point to something else that happened a few days ago, which indicates the slipshod manner into which this government is getting so far as the constitutional and democratic way of doing things is concerned. On February 26, when the house met, at three o'clock in the afternoon, the Minister of Trade and Commerce (Mr. Howe) tabled a document and said, as reported at page 1627 of *Hansard*:

> I should like to table a letter addressed to my colleague, the Minister of Finance (Mr. Abbott), advising him to make effective the provisions of Bill No. 3 as regards tariff items 393, 427e, 434, 434b, 446 and 461.

I heard that statement and I was puzzled, Mr. Chairman, as to how the Minister of Trade and Commerce could ask a fellow minister to bring into effect the provisions of a bill which was not yet law. It is true that we had passed that bill in this house, but it had not been passed by the other place and it has not yet been given royal assent. So my curiosity led me to send to the parliamentary papers office, down below here in room 167, and ask for a copy of the letter which the Minister of Trade and Commerce had tabled. You will note that the minister said he had written to the Minister of Finance advising him to make effective provisions of Bill No. 3. So I expected this letter, when I got it from the parliamentary papers office, to deal with Bill No. 3. But nothing of the kind. It is a letter signed by the Minister of Trade and Commerce addressed to his dear colleague the Minister of Finance, dated February 17, 1948, asking him to bring into effect certain tariff changes under the provisions of section 43(d) of the foreign exchange control regulations.

Mr. ABBOTT: The import restrictions.

Mr. KNOWLES: I know the legal arguments those across the way can make, that they have found it was possible under the foreign exchange control regulations to do things not originally intended. I know it can be said that the Minister of Trade and Commerce may have made a slip when he said what he did in this house at three o'clock on Thursday afternoon, February 26. But there again you have a sample of this slipshod and careless way into which a government gets that has been far too long in power and which thinks that merely because it is Liberal with a big "L", therefore it is also liberal with a small "l". The times are too serious, Mr. Chairman, in this world of ours today, for us to trifle at all with these time-honoured and time-tested democratic constitutional ways of doing things. In my view we have far too often in this parliament, even when we have done it by unanimous consent, set aside the rules of the house. We get into trouble all the time when we do that. These things have grown up through centuries of British parliamentary practice. They are safeguards that it is not just pedantry for us to try to keep them.

I feel that two things should come out of this experience. First of all, this committee should vote down this resolution and show the minister that he had no right to say that it was assumed that parliament would pass it. In the second place, I call upon the government—and I am glad to note that the Minister of Justice has been following the argument of the hon. member for Kindersley and also following my argument—to give consideration—and I hope they will do so—to presenting to parliament a bill similar to the statute that is in effect in the United Kingdom, making some provision so that when a situation arises such as that which faces the Minister of Finance, there will be authority to deal with it. I grant that the minister has an argument in trying to tell us how serious the situation was. But once you let one expedient lead you to set aside proper parliamentary procedure, there is no telling where we shall get to before the story is all over. Of course, often times we get the opposite answer. When we want a national health program; when we want an over-all social security program; when we want coarse grains to be taken over by the wheat board and so on, we are told that there are certain constitutional rights which pertain to the provinces with which this government must not interfere. When we ask for the continuation of commercial rentals, we get the same answer. I submit that there is too much of this trifling with the constitution, using it as a defence for inaction when the government does not want to act, but throwing it out of the window when there is something it wants to pursue merely for the sake of expediency. I submit that this is just about as serious an issue as has yet faced this parliament.

Mr. MACDONNELL (Muskoka-Ontario): I propose to say little about the constitutional issue. But even a reformed lawyer likes to have a word on constitutional matters. So I propose to say just two or three things about it. In the first place, I feel that I would echo not only the words but the spirit of the hon. member for Vancouver-Burrard, because it seems to me—and it has been supported by the hon. member who just spoke—that this is

a serious matter, and if we do not take it seriously we are just not rising to our responsibilities as members of parliament.

The second thing I want to say is this. We have here I think a riddle as to when a tax is not a tax. The minister has been saying again and again that there is no tax. I want to read him something he himself said in this house on February 24, in answer to a question asked by me. I had asked him what figures could be given showing what was the progress of the taxes or the proposed taxes up to date, and the minister said, as recorded at page 1593 of *Hansard*:

No, I cannot give any figures.

Then he adds this, and this is what I draw your attention to, Mr. Chairman.

It is probably a little early yet in any event for there to have been any real results which could be shown. A good many of those who were affected by the taxes—

It is difficult for the minister, of course, to say "proposed taxes"; but I will not press that point. To continue:

—have made representations to us that orders have been cancelled and that their volume will be substantially reduced.

I read that just in order to make this point. For the minister to say there is no tax I think would sound funny to people whose business had already, when he used those words, been substantially affected and, in some cases, perhaps closed up by these particular taxes which were no taxes. Therefore it seems to me that it is no use whatever for the minister to try to escape in that way.

The second thing I want to say is this. I can imagine circumstances in which the difficulty of the government was so great, the emergency so unexpected, the time for action so little, that we would have said, "Well, it was a terrible thing to do; it was a terrible breach of the constitution, but still they did have this situation facing them. It was unexpected; they had to act, so we will try to deal leniently with them." Were any of those elements present in this case? I submit, not a single one. The situation had been facing the government for months. The minister told us candidly they had begun considering the dearth of United States exchange, which was the reason for the whole business, away back in July or August. Therefore I say there was no earthly reason why parliament could not have been in session at the time this action was taken, if proper foresight had been exercised.

That is all I wish to say about the constitutional issue, except to say that the serious words used on this side of the house might have sounded too serious ten, twenty or thirty years ago, though incidentally no one would have dreamed of doing this sort of thing at that time. If it had been done, however, people might have said, "Oh, well, what does it matter? We are living in an orderly world, and no one will ever think of doing it again." As the hon. member for Vancouver-Burrard has said, if ever there was a time when people like ourselves should be guarding, as one might say, the sacred fires of the constitution, it is today.

I now want to talk about the resolution itself, and I want to say in advance, speaking for myself, that I believe my friends and colleagues recognize that here we have a mess; here we have a difficult situation, and that somehow or other we have to conserve our United States exchange. I am not going to take time now to remind the committee, as I have tried to do on other occasions, that this situation is due to grievous errors on the part of the government. I am not going over that again tonight. I think I would agree that measures to conserve exchange are necessary; but it seems to me this resolution is the most unholy hodge-podge. I cannot understand in which direction it is going. It seems to be a composite of three or four things not inconsistent, perhaps, but at any rate strangely assorted. It seems that the minister has not yet made up his mind what this resolution is. It appears to be all kinds of things, "everything by turns and nothing long". It has been in effect for four months. It has been changed beyond recognition. Speaking in the house a couple of weeks ago, the minister candidly told us they had found that certain of the taxes would be so onerous and so injurious to certain businesses that they had made changes; and, as I say, it has been changed beyond all recognition.

Well, now, I want to ask what this resolution is, anyway. Is it one to discourage United States importations? Sometimes that is what it seems to be. Let me read a sentence on that from what the minister said in this house on December 16, at page 336 of *Hansard,* speaking of the special excise taxes:

Their first and primary purpose is to discourage the sort of expenditure which adds to our imports from the United States.

That is the first thing. From that we may take it that this is a measure to discourage United States importations; but that is not the whole story. The second thing we find it to be is a measure to offset advantages which Canadian manufacturers might gain by reason

of the exclusion of certain articles under Bill No. 3, the embargo bill. Let me read that part of it:

A second reason for these taxes was to limit as far as practicable the degree of discrimination against regular suppliers in the United States and their dealer organizations in Canada.

Then I skip some sentences and read further down:

While the Canadian manufacturers are temporarily relieved of competition from the United States, their unexpected advantage is being at least partially offset by the effects of the special taxes. Without these taxes, prices of many of the articles affected could have risen a good deal, to the benefit of the manufacturers and distributors. As a result of the taxes, it is the public treasury that benefits.

In passing, I point out that this seems to assume there would be an automatic rise in prices; that it also seems to assume there is no competition in Canada to keep down these prices.

But I pass on to the third thing this resolution is, that is, a tax measure. Further the minister said:

Now I have emphasized that the main purpose of the new excise taxes is to save United States dollar exchange rather than to produce more revenue. At the same time, additional revenue will not be unwelcome for two good reasons. The first is that the new taxes will undoubtedly withdraw some purchasing power even if, as we hope, they lead to some reduction in purchases . . . The second is that our budget position, though good, is not as good as many popular reports would have it.

In other words, the third alternative view of this measure is that it is a taxation measure. Then, on February 24, at page 1542 of *Hansard*, in reply to a comment, I think by the hon. member for Moose Jaw, that the tax was inflationary, the minister said:

Now, with regard to the excise taxes being inflationary, I do not agree that they are inflationary. I think that they are just the reverse; that they are deflationary, if anything. One of the means of combatting inflation, when there is an excess of purchasing power, is by imposing taxes such as these that drain off purchasing power. Far from their being inflationary they will have, if anything, a deflationary effect.

It would ill become me, after what I have said in this house, to criticize the government for proper deflationary methods; but I suggest that the unfortunate individuals who are buying these goods would be considerably surprised and, I think, entitled to feel aggrieved if they found they were being made a special mark, a kind of special sacrifice, in the cause of deflation. That does not seem to me a proper way to deal with deflation, for surely it is a much broader thing than that. As I say,

[Mr. Macdonnell (Muskoka-Ontario).]

I think those who are paying an additional 25 per cent in the price of these goods will be anything but pleased to find themselves being made a kind of sacrificial offering in the cause of deflation.

There are one or two other points I should like to make, quoting again from the minister's speech of last December. He made a great point, and incidentally a point which I cannot understand, about this being an over-all tax and not a tax on the United States content of the goods. I had better read what he said:

Most of the goods subject to these taxes are produced in Canada in substantial volume and most of them have a significant United States dollar import content. The import of practically all these goods in finished form has been prohibited or placed under quota restrictions and substantial savings in United States dollars are expected to result from this action. The savings, however, would be considerably reduced if domestic production of the same type of articles were to expand to fill the gap in the supply, since this would involve further substantial imports of parts and components.

Then I would draw particular attention to these words:

It could be argued that a more effective way to check expenditures that involve a considerable import of parts and materials would be to relate the tax directly to the import content of the article concerned. But the objections to this type of action are conclusive. Taxes directly related to import content would be tantamount to sharp increases in the tariff and under the Geneva agreements as well as in our own longer-range interests we would not consider such a course.

I find myself unable to follow the minister there. It seems to me that to put a tax of 25 per cent on an article costing $100 which has only $8 Canadian content in it, is out of all reason. And I am utterly unable—and I shall question the minister later on it—to understand his reasoning here. I point out in particular that his reference to tariffs in connection with these articles seems to me to be quite out of place, in view of the fact that the finished products from the United States are being excluded by us, so that I do not think the tariff argument enters into the matter at all.

There is one other thing the minister says which I find myself quite unable to follow. He refers to small businesses, and says there would be a special discrimination against small businesses if that were carried out. He used this argument:

Moreover, such action—

That is to say, a tax related merely to the United States content.

—would represent an extreme form of discrimination against businesses which are in the early stages of developing their operations in Canada.

I am not able to follow that at all. I have raised these points for the minister's consideration. But before sitting down I wish to ask this which, I think, goes to the root of the matter and which, if the minister is not able to answer it in detail, he may answer later. We have had this measure in operation for some four months and, although it may not be a tax, it certainly looks like one to all concerned.

I think we should all know what effect this is having. One hears statements made which, of course, may not stand up under cross-examination. But one does hear the statement that it is not having the desired effect. I think it is time now, after the lapse of four months, to find out whether the results are at all those which the minister hoped for.

I just wish to repeat that it seems to me this is just a hodge-podge of different ideas. I do not believe it will have the effect that was desired. While I am in favour of sound measures, soundly conceived, to conserve United States exchange, I cannot believe that this is soundly conceived. And now I hope that the government will see fit either drastically to alter it, or to withdraw it altogether.

Mr. ABBOTT: I shall not take time to answer the general observations of the hon. member, but I might be permitted to answer the specific question he asked, as to why the tax was not related to import content. The hon. member said he could not follow why we did not relate it. The first reason is that it would be manifestly unfair if we attempted to do that, because in a particular commodity such as a refrigerator, for instance, through no fault of the manufacturer at this particular time the import content of one refrigerator might be, let us say, 50 per cent and that of another might be very low. So that we would have on one manufacturer either a comparatively low tax, or almost none at all, while on the other one we would have a comparatively high tax. It would distort the whole competitive picture.

The second reason is that it is extremely difficult to administer. That was discussed with the Department of National Revenue, to see whether it would be feasible; and when you come to look into it, it would not be workable, aside from the question of its being unfair.

Then, as to the question of what the results have been on this particular phase of the policy of restrictions at this time, I frankly cannot say. It is tied up with the import restrictions. But I can say this, that at the end of February our exchange reserve of United States dollars stood at approximately $527 million, outside the $50,000,000 which we have drawn from the export-import bank loan, as against $514 million at the end of January.

I do not attach too much importance to that. Nevertheless it does demonstrate that the over-all program up to the present time at any rate appears to be accomplishing what it was intended to do. But, with the best will in the world, I do not know what portion of the results, if any, can be attributed to the fiscal side of the measure. How much the imposition of these proposed taxes has deterred persons from purchasing these articles which have a high import content, I cannot say.

I shall make inquiries from the officials and see whether any reasonable estimate can be given. If so, I shall give it, to date. But I do not believe it is possible to attribute to this aspect of the program any specific results.

Mr. GREEN: How much money has been levied by way of these excise taxes? What is the sum involved?

Mr. ABBOTT: I shall make inquiries. I am told by one of the officials in front of me that it would be difficult to apportion it; because the committee will recall that in respect of the automobile tax, for instance, it was increased from an already existing ten per cent right up to twenty-five per cent in the lowest bracket and on a sliding scale in the other brackets. In respect of toilet articles it was put on some which were not included before, while in respect of some of the others the rate was increased. On radios there was an already existing tax, and that tax is increased. Whether it would be possible to give the information, I cannot say at the present time. My officials in front of me tell me it would not be possible, but I shall look into the matter.

Mr. GREEN: Is any record kept of the money brought in by way of this tax being imposed?

Mr. ABBOTT: Yes, there is a record kept as to what comes in from this special excise tax, but it is kept pretty well by categories. It would certainly be difficult to break it down and show just what the results were. Of course no one has mentioned that some taxes have been taken off in these measures, too.

I did not wish to interrupt the hon. member from Calgary West, but I thought I should answer the specific question which has been asked.

Mr. SMITH (Calgary West): Before I say what I have to say, do I understand the minister to say that he has a record of these taxes? Are they going into the general revenue fund of Canada?

Mr. ABBOTT: That is right.

Mr. SMITH (Calgary West): I intend for a moment to turn to the constitutional question, if you like to call it that. I promise I will not repeat anything that has already been said. But on this question, as to whether this is a tax or not, it is going into the general revenue fund of Canada, the same as all other taxes, as I gather from the last answer given by the minister.

Mr. ABBOTT: Collected at the wholesale level.

Mr. SMITH (Calgary West): If it is not going in there as a tax, it has no room there. The only provision by which that fund can hold it is that it does go in as a tax.

It seems to me that whether it be a tax or not, is this not the position, and do I not give a parallel when I say this: I am speaking tonight on the invitation of the minister, given to me in the house last December, when I spoke under the wrong heading with respect to some refrigerator equipment in the warehouse of the Canadian Pacific Railway Company at Calgary.

The simple facts are these: equipment came through, and it was paid for. It came in on the afternoon of the day the minister made his announcement and, so far as I know, it is still there. Why? The government will not permit its being moved without the payment of taxes. If that is not a tax, I do not know what it is. It seems to me that this is the position which the government takes: Some of us in this House of Commons have had occasion to visit jails, for different reasons of course; I confess to having been in a number of them. And I am now looking at the Minister of National Health and Welfare.

Mr. MARTIN: You would not see me in the same jail.

Mr. SMITH (Calgary West): He knows what I am going to say, because he has had the same experience. I give you this as a parallel: you are telephoned to go down there to the jail. You talk through a wire mesh in the very up-to-date jails, or through a board in the old type of jail. The fellow says: You cannot put a man in jail for this, can you? You say no. But there he is. That is the situation with respect to your tax. It is a tax; you do not need to pay it; it is illegal; but you have to pay it. Furthermore, to get your tax back you have no legal remedy. For the man in jail there is habeas corpus to get him out. So this is tougher than maintaining a man in that position.

Here is my question and I ask for a reply from some minister. I am going to take a parallel of government service, that of immigration, and I mention that because we have immigration agents all along the border where we have customs agents. I ask this serious question. If the Minister of Finance can be justified in setting aside the statutes of Canada with respect to tariffs, both in amount, in exclusions and quotas, why cannot the Minister of Immigration set aside our immigration statutes and run immigration as he sees fit by a radio address? If it be true that the finance minister's action was right, then surely it inevitably follows that any minister of the crown can at will set aside the statutes of Canada and operate his department as a one-man show until parliament catches up with him. So why cannot the Minister of Immigration do the same thing with respect to immigration? I mention immigration because I wanted to give a parallel service, where they have powers of enforcement, where they have parallel agents, where the same methods and measures of control obtain. I put that problem to the government. I know they have many brilliant lawyers over there, but they will need to be very brilliant indeed to find a distinction between the two sets of circumstances which I have given.

Mr. CHURCH: I regret that the government have taken this step. They are going back twenty-five to thirty years. A great hydro-electric development has taken place in Ontario and Quebec by means of which the working man in the city and the farmer on the farm has had brought within his reach many electrical appliances and labour-saving devices which he looks upon today as necessities. A very great development of electric power took place between the two wars. This country has a potential 42,000,000 horsepower of electric energy, with only one-sixth of that developed so far in the central provinces of Ontario and Quebec, where the light and power movement has expanded tremendously in the last twenty-five years and brought to the kitchens of the toilers and industrial workers, under cheap power, joy to the housewives and farmers' wives through these labour-saving devices, and joy of living at small cost.

I see that the excise tax is to be imposed on firearms. I know one Toronto firm imports from Connecticut pistols of various kinds and puts them in our city for sale where young people can get guns and pistols. Anybody could walk into this store on lower Spadina avenue and buy them. They were imported from Connecticut. I complained to the government but nothing was done about it, although there were a lot of hold-ups in that district. They had a catalogue out with cuts of these

pistols and the cheap prices. Why are they not shut out and a limit and exception allowed by this excise tax act for police purposes?

Many of the items on which the excise tax of 25 per cent is imposed are no longer luxuries but now necessities. You could buy a refrigerator for $125 a few years ago. The cost is now double, and on top of this there is this 25 per cent excise tax, so that refrigerators are impossible to secure. I think the government is making a very serious mistake in imposing this tax in view of the great development there has been in electric power. True, a lot of those household labour-saving devices have been sold out by a raid on them over the past two years, and they are and were hard to get, but with further power development there will be a great scarcity of them for years, with this imposition of a 25 per cent excise tax.

Mr. MacNICOL: The minister in his reply to the hon. member for Lake Centre commenced by saying that the reason he had imposed the excise tax and the other taxes was that our reserves of United States dollars were diminishing. That was a very good reason perhaps for making some move, but I ask myself, why did the government during the past year, when our reserves in the United States were rapidly diminishing from over $1 billion to approximately $500 million, not take measures to conserve our United States exchange? During 1946, and I suppose we imported more in 1947, we imported approximately $125 million worth of United States coal. Just a year ago an Alberta coal company were advertising extensively in the Toronto papers and, I presume, other papers that their coal was just as good as anthracite coal imported from the United States. I went to see it myself. I took a hammer with me and tried to break up the coal. They gave it the trade name of Canthracite. I found it a very hard coal which burned well and gave wonderful results. All that company wanted was, I believe, some assistance in having a railway run from somewhere near High River to their mines in the foothills of the Rocky mountains, and I ask myself, why did the government not make some effort to encourage the use of anthracite coal mined in Canada and save some of the $125 million which we spend on bringing in United States coal?

During his remarks the minister said that we are perhaps saving some United States dollars through the excise tax on refrigerators and other articles of that description, some of which use steel. I looked up some figures and I found that in 1946 we imported $491 million worth of iron and its products. As a businessman, if I had been in the government a year ago I would have made some effort to produce much more iron in Canada and roll it into steel here and thus save more United States dollars.

I am going to close with this. Last year we imported some $100 million to $150 million worth of petroleum and its products. How much more we could produce in Canada I do not know, but at Norman Wells there are fifty or more oil wells not being used at all. Perhaps it would mean a pipeline to bring it down to railhead if it could not come down by tank barges, and it could. I just ask myself, has the government made the strongest effort it could during the last year on these three items alone to avoid the necessity of Canadians sending dollars out of Canada to the United States? Had we produced more iron and steel in Canada, it would have saved our United States dollars in that connection. Had we produced more oil in Canada, we would have saved United States dollars there, and had we just used our heads and used Canadian coal of which we have, I believe, one-fifth of the world's resources, we would have saved United States dollars. I saw the new Alberta coal, Canthracite; I saw it burning. Had we assisted whoever controls the company—I do not know who controls it or if anyone controls it—to bring out Canthracite coal, we would have saved a lot more United States dollars. As a businessman, I like to look at the thing in that way. My hon. friends, the member for Lake Centre, the member for Kindersley and other members dealt with the constitutional end of the question in a splendid manner. From the businessman's point of view I would take another tack altogether. I would try to produce in Canada and dig out of the ground in Canada that which we require and thereby save good United States dollars.

Mr. THATCHER: I should like to ask the minister two or three brief questions. In the debate a moment ago he said that if parliament by some chance should not pass these bills or approve these taxes everybody would be entitled to a refund. My question is this. How exactly would the department refund to the consumer? I presume they collect the tax from the manufacturer who passes it on to the wholesaler who passes it on to the retailer, and then the retailer collects from the consumer. For the past few months I suppose every store in Canada has been collecting these proposed taxes and has been giving cash slips, but cash slips without any

name on them. Whether this parliament approves this or not, I think it is absolutely impossible for the minister to refund the tax.

Mr. ABBOTT: Every manufacturer who has paid the tax, the proposed tax, would be entitled to claim the refund.

Mr. THATCHER: How will you get it back to the consumer?

Mr. ABBOTT: That would be his problem.

Mr. THATCHER: No.

Mr. ABBOTT: He would be collecting and the consumer would be aware of the tax. He would know himself. Naturally, the consumer is not as simple as some think he is. He would go back to the retailer and would say, refund me the price of this proposed tax, and that would have to go right to the consumer.

Mr. THATCHER: There are hundreds of thousands of consumers who may not have receipts of the sale. I suggest that it is absolutely impossible for the minister to get the tax back to the consumer.

My second question is this: on washing machines, refrigerators, electric irons and things of that kind we are imposing a—

Mr. ABBOTT: There is nothing on washing machines.

Mr. THATCHER: Whatever the appliances are; I could go over the list. You are imposing a tax of 25 per cent on these articles. I believe there is already a sales tax of eight per cent, and it seems to me that there will be an additional seven per cent tax of a tariff levy on things you bring in from the United States. That would mean that on some of these articles you will have a tax of about 40 per cent in all. Is that correct or not?

Mr. ABBOTT: I could make a calculation. The 25 per cent is on the wholesale price. This particular tax, if it is one which has not been imposed before, is 25 per cent on the wholesale price of the article. Prior to this notice, there has been a ten per cent tax on radios. There is a ten per cent excise tax on radios now on the wholesale level. In this resolution that tax would be increased to 25 per cent; therefore the increase will be 15 per cent over the existing tax.

Mr. THATCHER: The minister would not estimate how much there will be in all federal taxes on these appliances?

Mr. ABBOTT: I could not do that, no.

Mr. THATCHER: I estimate it to be at least 40 per cent.

[Mr. Thatcher.]

Mr. ABBOTT: I understand that my hon. friend is in the business, and he probably could make a good estimate.

Mr. FLEMING: Mr. Chairman, in the government's handling, or rather mishandling of this present matter, if we are frank and honest about the situation and view it in relation to the constitutional issues involved, we are witnessing now the final burial of small "l" liberalism in Canada. Approve what the government has done in connection with the matter of imposing and collecting this tax, Mr. Chairman, and you will condone anything that this government is doing or will do in its assault upon the constitution.

Mr. THATCHER: Communism.

Mr. FLEMING: I see the minister and others have their smiles back on their faces, which is indicative of the levity with which they have treated this entire matter. I tell the minister and those who sit around him that it will take more than a laugh and a gesture to meet the Canadian people and render an accounting to them on this issue in the face of what the government has done to the constitutional rights of Canadians. It is not just a matter of what may be the rights of parliament as such; these are involved; of course they are. But here is an issue where the government, by its studied disregard of its responsibility to parliament, by its studied disregard of every sacred constitutional principle, has given offence to Canadian citizens and has dipped illegally and unconstitutionally into the pockets of Canadian citizens and has, as things stand today, taken money out of their pockets by illegal and robbery methods. Until this parliament by statute condones what has been done by the government, in what has been done to date by the government in imposing or levying or collecting or filching, whatever you wish to call it, money out of the pockets of the Canadian people, it has committed robbery. As things stand today, what the government has done is robbery and nothing short of it.

Think of this, Mr. Chairman. Here is the Liberal party; the small "l", of course, is gone, but the big "L" remains. Only the name remains to identify the party in office in this country today with constitutional principles which most people in this civilized generation had thought to be accepted by all people who believe in democracy. Can you imagine, Mr. Chairman, what would have happened at Westminster in Gladstone's time if the government of the day, not while parliament was in session, had simply by a

declaration of a minister, not made in parliament, commenced to dip into the pockets of the people and take money from these pockets without any authority from parliament? In that case, Mr. Chairman, the welkin would have rung with denunciations of the government of the day, and protestations of these principles of small "l" liberalism which would have been violated in that very act on the part of the government. What would have happened in the time of Laurier? Can you imagine such a thing as this happening in Laurier's time? Even to suggest such a thing is to offend the memory of that statesman. Can you imagine what would have happened if this thing had been done by a government in the days when the present Prime Minister was in opposition? Every word in the English language would have been drawn upon by him to denounce in the name of liberalism what the government was doing. And yet it has remained for this government, in the days when its fidelity to democracy and to parliamentary institutions has given way to the belief in its own absolute right to rule, to do violence to everything that small "l" liberalism has stood for, ever since liberalism became identified with a political party.

Condone what the government has done here; legalize the robbery that has gone on since November 17 last, and this parliament will have been an accomplice with this government in such an assault on the constitution of the country as we may never recover from.

The minister has invited this house, in a gesture which I say is an insult to the intelligence of the house, to believe that this was done in obedience to necessity. How necessity is always conjured up to serve the ends of tyrants! Last week I quoted in this house the words of William Pitt: "Necessity is the plea for every infringement of human freedom. It is the argument of tyrants; it is the creed of slaves". And naturally it was necessity to which the Minister of Finance tonight ascribed the act which, in the name of the government, he embarked upon on November 17.

Necessity! Was there necessity for over-riding the constitution, for over-riding settled constitutional principles centuries old, principles which have been the bulwark of the rights, not simply of a few but of all citizens? This is not an issue that affects just a few people; this is an issue that touches every man, woman and child in Canada who values freedom, and who can see, in what this government has been doing in the past three and one-half months, steps toward oligarchical rule and the destruction of our parliamentary institutions.

I want to remind the committee that this kind of issue has been fought over in days gone by. Men were not prepared in other days to submit to arbitrary measures on the part of the government. It was this very issue that brought to a focus the struggle between Charles I and parliament, which resulted eventually in the civil war and in the just retribution upon Charles. It was not any abstract issue; it was not any academic question. It was this question and this alone: shall the government be entitled to dip into the pockets of the people apart from authority expressed by parliament in terms of statute?

As you will remember, Mr. Chairman, the Petition of Right in 1628 was the ultimatum presented by the long parliament to Charles I, and leading among the issues presented in that Petition of Right was this, set out in section 1:

> And other the good laws and statutes of this realm, your subjects have inherited this freedom, that they should not be compelled to contribute to any tax, tallage, aid, or other like charge, not set by common consent in parliament.

Charles I assented to that Petition of Right, but of course he and others who followed him forgot that obligation, just as this government has forgotten it, and it remained for blood to be shed again half a century later, culminating in the Bill of Rights in 1689, in which you will find these objectives set out, which I commend to those on the other side. Of course it is no use offering them to the government, because the government is blind and its ears are stopped to anything offered to it in the name of respect for constitutional usage. But in case there may be some private members opposite who still have some respect for liberalism, the small "l" liberalism they profess, I quote it and ask them to give heed to these words in the Bill of Rights of 1689, forming a part of the constitutional fabric of this country as well as of the United Kingdom. This is one of the wrongs referred to in the Bill of Rights which that bill was intended to rectify:

> By levying money for and to the use of the crown, by pretence of prerogative, for other time and in other manner than the same was granted by parliament.

The Bill of Rights then proceeded to declare:

> That the levying of money for or to the use of the crown by pretence of prerogative without grant of parliament for a longer time or in other manner than the same is or shall be granted is illegal.

It is on the strength of that Bill of Rights that every reigning sovereign in the United

Kingdom, or for that matter in Canada, has held his crown. It is to that principle that every reigning sovereign from 1689 to this present day has given his plighted oath, and on the strength of it he has held his crown; but it has remained for hon. gentlemen opposite, in a light-hearted manner, in an easy, debonair way, to undo what men have shed their blood to win for all the men and women who enjoy the many benefits of our parliamentary institutions. It does them no credit that they have done it at all, and least of all that they have done it with this studied contempt for parliament, which is reflected in the frivolous attitude they have taken toward this matter from the outset.

I had something to say recently about the quibbles of the Minister of Finance in distinguishing, if you please, between a statement and an undertaking on the part of the government, the theory back of his quibble being that a mere statement made in this house by a minister of the crown is not necessarily binding upon the government. There sits the Minister of Justice who made such a statement in this house, a statement which the house accepted, and upon which it proceeded to pass the foreign exchange control bill two years ago, a statement given to the house, upon which this government turned its back in 1948. As I have said to the minister before, I cannot for the life of me see how he can continue to sit in a government which has repudiated a solemn assurance which he gave to the house. But still he sits there.

That is a sample of the quibbles which are being indulged in by the Minister of Finance who distinguishes between an assurance or undertaking and a mere statement on the part of ministers of the crown.

And what is the latest example of these quibbles? You have two fine examples this evening, two exceptionally striking examples. The minister dare not face this proposition, that taxes are being levied today illegally and unconstitutionally without the slightest colour of right. How does he meet that? He says, "Don't call it a tax because it is really not a tax until parliament imposes it by statute". Of course it is not a tax in that sense until parliament imposes it by statute. What it is today is an illegal tax, an unconstitutional tax. The Minister of Finance can enjoy all the pleasure it gives him to be the author of a tax impost or levy that is absolutely illegal and unconstitutional.

But that was not the end of his quibbles tonight. I do not know when we shall reach the end of the quibbles indulged in by the Minister of Finance. There was another one. He does not like the word "imposed" as it was put to him by the hon. member for Lake Centre tonight in his powerful speech. He said, "No, no; we have not imposed these taxes. Please do not say 'imposed'." It reminds you, does it not—his denial of the word "tax" and his denial of the word "recovery"—of the language he used last December in the house when he took strong exception to the use by those on this side of the house of the word "austerity" as applied to this dictatorial program he announced. He did not like the word "austerity". He said it was most improper and inapplicable. Who was the author of that expression? It was the Minister of Finance himself in that radio speech of his of doubtful memory on November 17 last. Yes, he was the author of the expression "austerity". Who is the author of the expression "tax"? This is a tax that these collectors of excise were instructed by the minister to collect throughout the country. Excise! Of course it was. Let us have no more of these quibbles, Mr. Chairman, as though a tax by any other name could smell any worse than this tax smells.

What would have happened if events had taken a slightly different course since November 17 last? Just think of what has happened in terms of the constitutional realities of the situation. It has already been pointed out by hon. members on this side of the house, and pointed out so accurately and so penetratingly, that in the case of those who have been robbed of this money by the government, by an order of the Minister of Finance, there is no right of recovery. Yet the Minister of Finance has the effrontery to say in this house, as he said a few minutes ago with respect to the people who have been robbed, "Oh, that would be their problem." "It is not our worry," says the Minister of Finance. He is not worrying about the people who have been robbed.

Mr. THATCHER: Shame.

Mr. FLEMING: Litigation? He says, "Do not come to the government. You, Mr. Final Consumer, who have paid this tax, go back and collect it from the retailer whom you bought from and maybe he will go back and try to collect it from the wholesaler; then maybe he will go back and try to collect it from the manufacturer" and so on. That is offered in this house, in this year 1948, as a serious statement coming from this government. Do you want any clearer proof, Mr. Chairman, of the utter unfitness of this government to hold office any longer?

This is the same government, remember, which turned the key in the door of parliament in March, 1945. What would have happened

had it suited the political purposes of this government to dissolve parliament without notice at any time since November 17? This tax would have been in effect. This robbery would have been going on.

Mr. MARTIN: This government would have been returned.

Mr. FLEMING: Parliament would have had no opportunity of dealing with it, because this government would have dispensed with parliament. Did I hear the Minister of National Health and Welfare say something?

Mr. MARTIN: We would have been re-elected.

Mr. FLEMING: If the Minister of National Health and Welfare has learned so to despise the intelligence of the Canadian people that he can believe the Canadian people would re-elect a government which has trampled the constitutional rights of Canadian citizens into the earth, then I say to him that he ought to be ashamed of himself for making a statement like that in the house. For my part, I prefer to believe that the Canadian people are blessed with intelligence, and have determined to see that their rightful freedoms and constitutional rights shall not be stolen from them by a government that has ceased to be responsible to the people.

An hon. MEMBER: Louder.

Mr. MARTIN: Have you seen the latest Gallup poll?

Mr. FLEMING: I have only to say to my quibbling friends opposite that I would recall the example of one Charles I and others, people who indulged in the great quips they thought were so good in their palmy days. I say in all seriousness to the Minister of Finance or any others such as the Minister of National Health and Welfare who has just come to the rescue of his colleague—

Mr. ABBOTT: Thank you.

Mr. FLEMING:—that one of these days, as we survey the political remains of these ministers, we shall be saying, "Alas! poor Yorick; where be his quiddities now?"

Yes, Mr. Chairman, the Minister of Finance thought to make a virtue tonight out of the fact that when he made his radio speech parliament had received notice that it was being summoned to meet. Apparently the issuance of the proclamation by the government calling parliament to assemble, so far as this government is concerned when it suits its purposes, is treated as just the same as parliament being in session. Well, a proclamation of the kind that was issued at the end of October last calling parliament to meet on December 5 is not immutable. These proclamations are frequently issued and withdrawn. It would have been completely within the constitutional powers of the government to withdraw the proclamation summoning parliament to meet. They could have done that simply. It has been done before. Where would we have been then, Mr. Chairman?

Where would have been the virtue that the Minister of Finance sees in having made his radio announcement a few days after a proclamation had been issued summoning parliament; because that proclamation had no effect as binding the government to proceed to meet parliament on December 6?

I have indicated what the passing of the resolution and the passing of the bill to follow will mean in terms of condonation of the most grievous assault upon the constitutional rights of Canadians that has been delivered at any time in our history. Go back to the days before responsible government, when people who called themselves Liberals in those days were fighting the battle for responsible government in Canada, and you will not find anything in the actions of the governors in those days who did not consider themselves responsible to the legislature, to compare even faintly with the studied disregard of the rights of parliament that this government has shown so contemptuously all the way through this piece.

Mr. MARTIN: Louder.

Mr. FLEMING: I would speak louder if I had any hope at all that words of wisdom would penetrate the skulls of some hon. gentlemen on the opposite side.

The hon. member for Vancouver-Burrard tonight sounded a word of warning to all hon. members as to the effect that will follow the creation of a precedent in this matter. If this parliament condones what has been done here —for condonation it certainly will be if parliament passes this resolution and the bill to follow—you are simply opening up the floodgates to more assaults upon the constitutional rights of men and women in Canada at the hands of this oligarchical institution yonder that calls itself a government.

Is there not one private member sitting to your right, Mr. Chairman, who has a little left of his asserted devotion to the principles of liberalism, who has a fragment of appreciation left of the importance of these great constitutional safeguards, who will rise in his place and speak on this question? I challenge any private member on the government

side of the house to rise and tell hon. members that he supports what the Minister of Finance has done, that he condones his methods and will support his measure, and to give his reasons for doing so. I challenge every hon. member sitting to your right.

Mr. CLEAVER: If my hon. friend will sit down I will gladly accept the challenge.

Mr. FLEMING: Very well. The hon. member for Halton has just indicated that he is coming to the rescue of the Minister of Finance. Very well, Mr. Chairman; we will listen with great interest to what the hon. member for Halton may say. We will ask him to say how he squares the action of the minister with the fact that parliament was not in session.

Mr. ABBOTT: He can make his own speech.

Mr. FLEMING: I thank the Minister of Finance for his assistance, but I assure him I do not need it. I am not calling upon him for help. We will wish to hear from the hon. member for Halton and all other hon. members opposite what they have to say as to the right of any government to take money out of the pockets of their constituents without the matter ever coming before parliament. Yes, Mr. Chairman, I hope that before this debate concludes we shall hear an opinion expressed on this matter by the hon. member for Quebec South, an hon. gentleman who, with some right and justification, still calls himself a liberal. I hope we shall hear also what the hon. member for Temiscouata has to say on this measure.

Mr. POULIOT: I will say it right away.

Mr. FLEMING: The hon. member has spoken eloquently in this house in asserting the rights of parliament against the inroads made upon those rights by the government. Let us hear any hon. members opposite who still call themselves liberals. Let them say, "We condone this action. Our constituents will approve it. Our constituents do not mind having the Minister of Finance dip his hand into their pockets and take out money with no authority from parliament." Let such hon. members say they approve these methods and condone what has been done, and are prepared to put their political conscience in the keeping of the Minister of Finance on this issue.

Mr. POULIOT: I am ready to start now.

Mr. FLEMING: If you condone what has been done here, Mr. Chairman—

Some hon. MEMBERS: Give him a chance.

[Mr. Fleming.]

Mr. POULIOT: Don't provoke me; I am ready to start now.

Mr. FLEMING: I hope all hon. members yonder who call themselves liberals will have plenty of opportunity to speak on this measure before this debate is concluded. As far as I am concerned, in concluding what I have to say, I wish to state that if this condonation is given by hon. members opposite, then we might as well say good-bye to the rule of law, to the supremacy of parliament over the executive, to the rule by constitutional methods and procedures that has been followed in this parliament in times past and has been the rule among all, in whatever part of the world they live, who derive their constitutional rights from Magna Carta, the Petition of Right and the Bill of Rights.

Mr. CLEAVER: Mr. Chairman, I want to assure my hon. friend who has just taken his seat, as well as every other member of this committee, that I cherish my personal rights under our constitution just as much as anyone in this country. But I want to say also that I have never knowingly hidden behind the constitution to attack a measure that I cannot attack on its merits. I think this committee well remembers a speech made by the leader of the opposition when we were called together on December 5; and I should like to know right now who is the leader of the Progressive Conservative party in this house. I am serious in that; I am going to read chapter and verse, and I should like to know who is leading that party here.

Mr. FLEMING: John Bracken is leading it, and you know it.

Mr. CLEAVER: We have listened to a regular barrage of criticisms tonight, and I have patiently waited for a chance to say a word or two now, at ten minutes to eleven. There was no opportunity before to say a word to remind hon. members of what happened so recently. I am just wondering why these wonderful defenders of the constitution should suddenly burst into bloom at this late stage, four months after the event, and why they should suddenly develop this constitutional mania about this measure.

Mr. SMITH (Calgary West): Will the hon. member permit a question?

Some hon. MEMBERS: No.

Mr. CLEAVER: I will have a word for my hon. friend a little later on, about the pig bristles which were his contribution in the early stages.

Mr. SMITH (Calgary West): Will you permit a question?

Mr. CLEAVER: I have only ten minutes. I will gladly answer any questions tomorrow, but I want to take my ten minutes tonight.

Mr. ABBOTT: We have had a series of forty-minute speeches from the opposition.

Mr. CLEAVER: Hon. members opposite have had the whole evening, and this is my first chance to take part in the debate.

Mr. SMITH (Calgary West): Will the hon. member permit a question?

Some hon. MEMBERS: No.

Mr. CLEAVER: I have already given my answer.

The CHAIRMAN: The hon. member has stated already that he requests no interruptions at this time. Therefore, under the rules he should not be interrupted.

Mr. SMITH (Calgary West): He is wiser than I thought.

Mr. CLEAVER: When I am through I will gladly answer any questions any member of the opposition would like to ask. On December 5, in discussing the business of the house, the Prime Minister suggested:

> The government would have preferred to have had the debate on the address left over for some weeks . . .

Mr. FULTON: What page?

Mr. CLEAVER: Page 3 of *Hansard*.

> . . . to be resumed after particular measures we have met together to consider immediately have been dealt with. I understand, however, that the leaders of the parties opposite prefer that they at least be given the opportunity to speak immediately on the address.

Mr. MANROSS: Nothing there about taking money out of the pockets of the people.

Mr. CLEAVER: Just be patient. Then the leader of the opposition spoke, and gave his stand in regard to that suggestion. Bless you, if the constitution had been infringed in any manner, if our rights under the constitution had been trampled underfoot, as we are given to understand tonight, surely at least a dozen members of the opposition would have raised the constitutional question on the very day the house met.

Mr. SMITH (Calgary West): Did I not raise it at that time?

Mr. CLEAVER: I say you did not.

Mr. FLEMING: The leader of the opposition did.

Mr. CLEAVER: The tax was imposed on November 17. The house met on December 5. Not one member of the opposition raised this wonderful constitutional question.

Mr. ROSS (Souris): The leader of the opposition raised it. Where were you?

Mr. CLEAVER: I suggest, Mr. Chairman, that they did not think of it until they found they could not attack the bill on its merits, so they had to scare up another issue.

I should now like to read to these hon. gentlemen opposite what their leader said.

Mr. ROSS (Souris): Read what he said about the constitution, at page 5 of *Hansard*.

The CHAIRMAN: Order.

Mr. CLEAVER: At page 4—

Mr. ROSS (Souris): Read what he said about the constitution.

Mr. ABBOTT: Too many leaders.

The CHAIRMAN: Order. I think all hon. members will agree that the hon. member who has the floor should not continuously be interrupted.

Mr. CLEAVER: Mr. Chairman, when they feel and look so foolish, I really do not blame them. They have my sympathy. Here is what their leader said to the house, at page 4.

Mr. ROSS (Souris): Read page 5.

Mr. CLEAVER: Following the Prime Minister, he said:

> It is suggested that the measures which are now before us are urgent.

And this is what the leader of the opposition goes on to say:

> Well, Mr. Speaker, the matters with which they deal are urgent, but I suggest with all deference that the measures themselves are not urgent.

Then he goes on to say that he wants the time of the house taken up with the debate on the address in reply to the speech from the throne. And if my hon. friends want the reference for that, I will give it to them. And he went on to tell us how mad the farmers were, and a whole lot of other things; nothing about this terrible crime committed against the constitution.

Mr. HAZEN: Read the last paragraph.

Mr. CLEAVER: I will have read enough when I am through to satisfy all of you.

The CHAIRMAN: Order. Some hon. members desire that page 5 be read, but they will have an opportunity to read it if they wish. I would suggest that they should not interrupt the hon. member for Halton.

An hon. MEMBER: Eleven o'clock.

Mr. CLEAVER: Not only was the leader of the opposition content with urging that we should go on with the debate on the address,

but he gave his reasons for it, and cited parliamentary precedents for it. And if my hon. friends will turn to page 5, they will find he said this:

> We are as anxious as anyone else to discuss this question as soon as we can, but I should like the house and the public to realize that these measures are now in effect as a result of that decision. They are just as much in effect as the decisions of the government brought down in the budget delivered by the Minister of Finance in which he says in effect, "These proposals will come into effect tonight though the bill dealing with them may not be passed for a couple of months."

I suggest—

Mr. ROSS (Souris): Go on; go on.

The CHAIRMAN: Order.

Mr. CLEAVER: I don't blame them, Mr. Chairman, at all.

Mr. FLEMING: Page 5.

The CHAIRMAN: The hon. member should not be interrupted.

Mr. GARDINER: What is the matter with Charles I now?

Mr. CLEAVER: It is a pretty bitter pill; I don't blame them for kicking about it.

Mr. FLEMING: First column, page 5.

Mr. CLEAVER: Then, from that day forward, until—

Mr. MERRITT: I rise to a question of privilege.

Some hon. MEMBERS: Sit down.

Some hon. MEMBERS: Privilege.

Mr. ROSS (Souris): A question of privilege, Mr. Chairman.

The CHAIRMAN: Order. If I must interpret the rules strictly, a question of privilege can be raised only when the house is in the house. I must ask hon. members to allow the hon. member for Halton to continue for the very few moments left this evening, and to continue without interruption.

Mr. ROSS (Souris): Let him be fair, then.

Mr. CLEAVER: Following on from there; from that day forward, until December 19, there was no mention of the Excise Act, except the facetious question in regard to pig bristles asked by the hon. member for Calgary West.

Mr. MERRITT: Mr. Chairman, on a point of order, can we not have a point of order in committee?

The DEPUTY CHAIRMAN: Order. It should not be necessary to remind hon. members that when a member has the floor he should not be interrupted unless he consents to answer a question. And if he wishes to answer the question, he will so indicate by taking his seat. It is not proper to keep on interrupting an hon. member when he has the floor.

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

Some hon. MEMBERS: No.

The DEPUTY CHAIRMAN: I would ask the hon. member to let the hon. member—

Mr. BRACKEN: He has raised a point of order.

Mr. ABBOTT: You are killing time.

Mr. MERRITT: Perhaps it would be well to let me state my point of order.

Some hon. MEMBERS: Sit down.

Mr. MERRITT: The hon. member for Halton has said, on his responsibility as a member, that on December 5 the leader of the opposition made no statement about the constitutional aspects of the matter.

Some hon. MEMBERS: Sit down.

Mr. MERRITT: Mr. Chairman, on page 5 I read these words—

Some hon. MEMBERS: Order.

Mr. MERRITT:

> Already these policies have—

Some hon. MEMBERS: Order.

Mr. MERRITT:

> —I was going to say, murdered the constitution and shamefully flouted parliament.

The DEPUTY CHAIRMAN: If the hon. member wishes to raise that point and speak on it, he has that opportunity in this committee as soon as the hon. member takes his seat.

Some hon. MEMBERS: Eleven o'clock.

Mr. GREEN: Eleven o'clock.

Mr. CLEAVER: Then, Mr. Chairman—

Mr. GREEN: Eleven o'clock.

The CHAIRMAN: Order; shall I report progress and ask leave to sit again?

Progress reported.

PRIVILEGE

MR. BRACKEN—REFERENCE TO STATEMENT IN COMMITTEE OF THE WHOLE

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I rise to a question of privilege.

Some hon. MEMBERS: Eleven o'clock.

Mr. BRACKEN: A minute ago—

Some hon. MEMBERS: Eleven o'clock.

Mr. BRACKEN: A minute ago, at a time when the chairman of committees said—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

Mr. BRACKEN: A minute ago, at a time when we were in committee of the whole, the chairman of committees pointed out that at that time no point of privilege could be raised, and the opportunity was denied an hon. member on this side of the house to raise it. I rise now to raise that point of privilege.

Mr. CHEVRIER: You are out of order.

Mr. BRACKEN: The hon. member for Halton made a misstatement with respect to myself.

Mr. CHEVRIER: Raise it tomorrow.

Mr. BRACKEN: I will raise it now, unless you on that side of the house force the Chairman to deny me that right.

Mr. CHEVRIER: You have not that right at this hour.

Mr. BRACKEN: I am taking it, until I am denied it by you. The hon. member for Halton said that the leader of the opposition had made no statement on the—

Some hon. MEMBERS: Eleven o'clock.

Mr. BRACKEN: —illegality and unconstitutionality of the government's program on the opening day of parliament. I want to complete the quotation which the hon. member did not read.

Mr. MARTIN: That is not a point of privilege.

Mr. BRACKEN: It is a point of privilege as you will soon see.

Mr. DEPUTY SPEAKER: Order. Although it is after eleven o'clock, I did not look at the clock because I wanted the leader of the opposition to have the opportunity to state his question of privilege. He has now stated it and I must say that it is not a question of privilege. It is a matter which he can bring up when the house is in committee.

Mr. BRACKEN: Mr. Speaker—

Mr. ST. LAURENT: Mr. Speaker, I move that this house be now adjourned. It is after eleven o'clock.

Mr. ROSS (Souris): Pretty small stuff.

Mr. FLEMING: Dictatorship.

Mr. BRACKEN: I rise to a point of order, Mr. Speaker.

Mr. DEPUTY SPEAKER: A motion to adjourn the house is not debatable.

Mr. BRACKEN: I rise to a point of order, Mr. Speaker. I was on my feet on a question of privilege.

Some hon. MEMBERS: Order.

Mr. DEPUTY SPEAKER: Order. I think I have been very fair. I have allowed the leader of the opposition to state his question of privilege without my looking at the clock. I will now quote the rule which states that at eleven o'clock the Speaker will leave the chair without question put. It is eleven o'clock and I hereby adjourn this house until tomorrow at three o'clock in the afternoon.

BUSINESS OF THE HOUSE

Mr. KNOWLES: What will be the business for tomorrow?

Some hon. MEMBERS: Order.

Mr. ST. LAURENT: If hon. members do not want to know the business, all right.

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

HOUSE OF COMMONS

Wednesday, March 10, 1948

The house met at three o'clock.

JAN MASARYK

DEATH OF CZECHOSLOVAK FOREIGN MINISTER—EXPRESSIONS OF SYMPATHY

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, the Canadian government and I am sure the Canadian people were shocked and grieved to learn this morning of the death of Jan Masaryk, foreign minister of Czechoslovakia. As the son of the late president-liberator, Thomas Masaryk, he bore one of the greatest names in Czech history; indeed, one of the great names in world history.

Jan Masaryk had seen his father's work crowned with success by the establishment of the republic of Czechoslovakia in 1918. He devoted himself to the service of that state and of the liberal democratic ideas it embodied for the twenty brief years of its independent existence. When Czechoslovakia was occupied by the nazis in 1939, Jan Masaryk, with that courage and resource which always characterized him, carried on the struggle from abroad until Czechoslovakia regained that democratic freedom which she has once again so tragically lost.

On behalf of the Canadian government and people, I wish to express to the family of Jan Masaryk and to the Czechoslovak people our deep sympathy in their great loss. His contribution to the effort to establish a peaceful democratic world of free and friendly peoples will not be forgotten.

In making this reference to that great patriot in this house, lest there be any misunderstanding I think I should take this occasion to say that in my view the Canadian government and the Canadian people at large associate themselves in every respect with the declaration about the tragic events in Czechoslovakia which was made by the three great powers on February 26 last.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I am sure all hon. members will wish to associate themselves with the minister in the statement he has just made. It has been the privilege of some of us, with many members of the government, to have been acquainted with Jan Masaryk and to know something of what he was trying to do for his country. As the minister has said, the son of a great patriot of Czechoslovakia was trying to serve his country in the footsteps of his father. We not only regret the circumstances which have brought about his death, but we sincerely regret the event itself. On behalf of my associates I wish to join with the minister in the statement he has made in extending our sympathy to that nation in the loss of this great man.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I should like to associate myself with what has been said. Those of us who knew Jan Masaryk and the ideas which always guided his political life were shocked to find his name among those who were included in the new government two weeks ago. We could not understand what had happened. Perchance when the curtain is lifted we may understand and realize that he took the step in order to do something further for his country, and having failed to do so, not being satisfied to live under a regime which he thought would destroy those democratic principles for which he stood, somehow he met his death. One day history may tell us how and why.

REPORT OF COMMITTEE

VETERANS AFFAIRS—CONCURRENCE IN FIRST REPORT

Mr. W. A. TUCKER (Rosthern) presented the first report of the select committee on veterans affairs, and moved that the report be concurred in.

Motion agreed to.

WHEAT

TABLING OF COPY OF INTERNATIONAL AGREEMENT

Right Hon. C. D. HOWE (Minister of Trade and Commerce): At the request of the leader of the opposition I now wish to lay on the table a copy of the international wheat agreement in English and in French. Perhaps I could amplify the answers I gave the leader of the opposition at the last sitting. The agreement is open for signature until April 1. Fifteen governments had authorized their representatives to sign on March 6. The remaining

twenty-one, mostly small importers excepting Australia, were still awaiting instructions from their government to sign. All of them expected their authorizations to sign before April 1. In addition to signature, the agreement is subject to formal acceptance by the thirty-six governments by July 1. Adjustment in the guaranteed quantities is provided for in the event any minor countries fail to formally accept, and for the agreement not to come into operation if one of the major countries stays out.

HONG KONG

TABLING OF EVIDENCE TAKEN BEFORE DUFF COMMISSION

Hon. BROOKE CLAXTON (Minister of National Defence): Mr. Speaker, in accordance with the Prime Minister's statement of February 24 and the order of the house the following day, I now beg leave to table the evidence in the Hong Kong inquiry. I shall be glad to show the leaders of the different parties the originals of the various cables to verify the fact that the paraphrasing that is required has been made without changing the meaning in any way, and so that they may see also the four cases in which references of a confidential character have been made to units or individuals not forming part of the Hong Kong forces.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of National Defence arising out of the statement he has just made. The minister intimated that he was going to table the evidence, and I gathered that was done. May I ask how many copies of the evidence are available?

Mr. CLAXTON: There is only one copy.

Mr. BRACKEN: In view of the fact that there were two battalions there, the Winnipeg Grenadiers and the Royal Rifles, why is the evidence tabled only in one language?

Mr. CLAXTON: The royal commission heard all the evidence in English, and the evidence that has been tabled and the exhibits that have been tabled are the same transcripts of evidence and the same exhibits that were used by the royal commissioner himself.

Mr. BRACKEN: The minister, then, does not intend to provide us with more than one copy of the evidence. That is all we are to have. Is that correct?

Mr. CLAXTON: There is only one copy.

[Mr. Howe.]

HOUSE OF COMMONS

PAYMENT OF HONORARIUM OR EXPENSES TO MEMBERS PARTICIPATING IN BROADCASTS

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I rise on a question affecting the privileges of the House of Commons and of many members of the house. It has to do with a matter arising out of the Canadian Broadcasting Corporation, which from time to time pays an honorarium or expenses to members of the House of Commons for participating in broadcasts and the like put on by the Canadian Broadcasting Corporation. A number of members are affected by this, sir, and I therefore bring it to the attention of the house with a view to securing an opinion from the Minister of Justice as to whether or not, under the provisions of the Senate and House of Commons Act, the acceptance by a member of the House of Commons of an honorarium or expenses results in his being placed in the position that his seat is thereby vacated and thenceforth his election is null and void. It is, sir, a matter which I know affects a great many members in all parts of the house, and it is one respecting which there is considerable doubt.

Mr. CRUICKSHANK: They didn't pay me anything.

Right Hon. J. L. ILSLEY (Minister of Justice): One or two members have spoken to me about this matter, and my reply to them was the same as the reply I shall have to give to my hon. friend, and that is that the Department of Justice or the Minister of Justice cannot give official opinions as to the liability of the members. The duties of the Minister of Justice, as set out in the Department of Justice Act, do not include the giving of opinions of that kind either to the members of the house or to the House of Commons itself. His duties are of a different character, such as advising the government and the departments, but not the House of Commons or members. This is a matter on which members will have to get such advice as they see fit and take their own responsibility. Perhaps the hon. member's purpose has been served by bringing the matter to the attention of the house.

Mr. DIEFENBAKER: In view of the uncertainty, would the minister consider an amendment to remove the possibility of doubt in this connection?

Mr. REID: They do not have to take the money.

Mr. ILSLEY: I will bring that suggestion to the attention of my colleagues for their consideration.

COMMITTEES OF THE HOUSE

MISCELLANEOUS PRIVATE BILLS—VETERANS AFFAIRS—PUBLIC ACCOUNTS—CHANGE IN PERSONNEL

Hon. LIONEL CHEVRIER (Minister of Transport) moved:

That the name of Mr. Bradshaw be substituted for that of Mr. Lockhart on the select standing committee on miscellaneous private bills; that the name of Mr. Fulton be substituted for that of Mr. Harkness on the special committee on veterans affairs; and further, that the name of Mr. Richard (Ottawa East) be substituted for that of Mr. McCubbin on the select standing committee on public accounts.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

CANADIAN NATIONAL RAILWAYS—PENSIONS

Mr. KNOWLES:

1. How many employees now working for the Canadian National Railways are making payments toward a supplemental pension in addition to the basic pension of $25.00 per month to which they will be entitled on retirement at age 65?

2. How many employees now working for the Canadian National Railways will be entitled on retirement, according to their present status, to only the basic pension of $25.00 per month?

Mr. CHEVRIER:

1. The number of employees making payments toward a supplemental annuity is 31,858.

2. There is no record of the number of employees who on retirement will be entitled to only the basic pension of $25 per month.

CANADIAN ARMY

Mr. FULTON:

1. What is (a) the authorized strength of the Active Canadian Army? Has this been amended and if so, what is the effect of the amendment; (b) the present actual strength of the Active Army?

2. What is the distribution, by commands, of Active Army personnel presently on strength?

3. Of the personnel in each command as shown in the answer to question 2, how many are (a) effective fighting forces; (b) administrative, service and desk troops?

4. (a) What is the present authorized strength in officers and other ranks respectively of each unit or part unit of all arms and services (giving names), which comprise the brigade group forming the field force of the Active Army? (b) What is the actual number of officers and other ranks respectively presently on strength in each unit or part unit covered in 4 (a)?

Mr. LAPOINTE:

The hon. member has agreed to drop parts 3 and 4 of the question. Parts 1 and 2 are answered.

1. (a) 26,329—subject to the total actual strength not exceeding 20,079 at the present.
(b) 15,409.

2. Army Headquarters	1,925
Eastern Command	1,081
Quebec Command	2,096
Central Command	5,203
Prairie Command	2,093
Western Command	2,798
Special Duty and Courses	213
Total	15,409

CANADIAN NATIONAL RAILWAYS—PENSIONS

Mr. KNOWLES:

1. How many retired employees of the Canadian National Railways are in receipt of only the basic pension of $25.00 per month?

2. How many receive the basic pension of $25.00 per month plus a supplemental pension?

3. How many of said supplemental pensions are (a) less than $20.00 per month; (b) $20.00 to $29.99; (c) $30.00 to $39.99; (d) $40.00 to $49.99; (e) $50.00 to $59.99; (f) $60.00 per month or over?

Mr. CHEVRIER:

The Canadian National Railways advise as follows:

1. Pensions paid solely at the expense of the railway consist of either a basic pension of $25 or a service pension in excess of $25. The number of employees who receive only a basic or service pension is:

Less than $25 per month	60 (old plan)
$25 per month	2,584
$25.01 to $29.99 per month	875
$30.00 to $39.99 per month	667
$40.00 to $49.99 per month	365
$50.00 to $59.99 per month	225
$60 or over per month	574
	5,350

2. The number of pensions paid partly at the expense of the railway and partly arising from employee contributions is:

$25.01 to $29.99 per month	470
$30.00 to $39.99 per month	1,994
$40.00 to $49.99 per month	1,305
$50.00 to $59.99 per month	873
$60 or over per month	3,509
	8,151

3. See answer to No. 2.

FOREIGN EXCHANGE—U.S. DOLLAR CONTENT IN EXPORTS AS MUTUAL AID, ETC.

Mr. DIEFENBAKER:

1. What is the value of the U.S. dollar content in the products exported from Canada by way of mutual aid, gifts or loans to the U.K. and European countries, up to December 31, 1947?

2. What amount of U.S. dollars has been recovered from the above exports up to December 31, 1947?

3. Does the government propose to continue exports to countries on a mutual aid, gift or loan basis, of products with U.S. dollar content, and for how long, and without receiving payment covering U.S. dollar content?

Mr. MAYHEW:

1. It is impossible at this time to determine the United States dollar content in the products exported from Canada by way of mutual aid, gifts, or loans to the U.K. and European countries during the last few years.

2. It is not entirely clear what is meant by the query as to the amount of U.S. dollars recovered from these exports. It is true, however, that very substantial amounts of gold and U.S. dollars have been received from the countries referred to during the period mentioned.

In the case of the United Kingdom, total receipts of gold and U.S. dollars for the years 1942 to 1947 were as follows:

Year	Equivalent in Canadian dollars (millions)
1942	23
1943	143
1944	55
1945	33
1946	150
1947	505

All countries to which we have granted credits under the Export Credits Insurance Act are, with one exception, required to pay for a portion of their purchases in Canada by the use of gold or U.S. dollars. Particulars are included in the various annual reports made to parliament under Part II of the act.

Receipts of U.S. dollars and convertible exchange from the European countries to which we have extended such export credits are estimated as follows:

Year	Equivalent in Canadian dollars (millions)
1945	70·4
1946	44·2
1947 (Preliminary)	86·5

3. No assistance by way of mutual aid, gift, or loan can be given to any country except under authority of parliament. There is now no legislation authorizing the granting of aid to any country in respect of relief other than the appropriation of $20 million for post-UNRRA relief, and the appropriations for the Canadian contribution to certain United Nations organizations.

Of the loan to Britain, there remains available to be drawn only $246·5 million and, as has already been announced, present arrangements provide for using this credit in the amount of $45 million during 1948, this amount to be drawn during the first quarter.

In respect of the export credits to the other European countries, there remains unused $103 million. In the case of several borrowing countries which have substantial amounts of credit still available, arrangements were made during the latter part of 1947 that at least as much of their purchases in Canada would be paid for in gold or U.S. dollars as would be purchased out of the credits. Some commodities or classes of commodities will only be sold for export for U.S. dollars or their equivalent.

ROYAL CANADIAN NAVY

Mr. FULTON:

1. What is (a) the authorized strength of the Royal Canadian Navy (active)? Have there been any regulations or orders changing this strength and if so, what is the effect of the change? (b) What is the present actual strength of all ranks now in the Royal Canadian Navy (active)?

2. What is the distribution, by divisions, of the personnel presently on strength?

3. Of the personnel in each division as shown, how many are (a) effective fighting forces; (b) administrative, service and desk personnel (by divisions)?

4. (a) What is the present authorized strength, in officers and other ranks respectively, on ships in commission (give names) of the R.C.N.? (b) What is the present number actually on strength on the ships in commission?

Mr. LAPOINTE: Parts 1 and 2 answered; parts 3 and 4 dropped.

1. (a) 10,375—subject to the total actual strength not exceeding 7,875 for the present.
(b) 6,782.

2. Halifax, 3,523; Headquarters, Ottawa, 178; Esquimalt, 3,081.

ROYAL CANADIAN AIR FORCE (ACTIVE)

Mr. FULTON:

1. What is (a) the authorized strength of the Royal Canadian Air Force (active)? Have there been any regulations or orders changing this strength and if so, what is the effect of the change? (b) What is the present actual strength of all ranks now in the Royal Canadian Air Force (active)?

2. What is the distribution, by commands, of the personnel presently on strength?

3. Of the personnel in each command as shown, how many are (a) effective fighting forces; (b) administrative, service and desk personnel (by commands)?

4. (a) What is the present authorized strength, in officers and other ranks respectively (giving squadrons, units, etc., by name or number), of the "field" force of the R.C.A.F.? (b) What is the present number actually on strength in the squadrons, units, etc., as above?

Mr. LAPOINTE: Parts 1 and 2 answered; parts 3 and 4 dropped.

1. (a) 18,221—subject to the total actual strength not exceeding 14,191 for the present.
(b) 11,636.

2.

Air Force Headquarters	552
Central Air Command	4,920
North West Air Command	2,735
Maintenance Command	1,691
Transport Group	1,614
Serving Outside Canada	124
Total	11,636

ROYAL CANADIAN AIR FORCE—AUXILIARY

Mr. FULTON:

1. (a) What is the strength presently authorized of the auxiliary of the Royal Canadian Air Force? Have there been any amendments or regulations changing this and if so, what is the effect of such amendments? (b) What is the present actual strength of the auxiliary of the Royal Canadian Air Force?
2. What is the composition of the auxiliary of the Royal Canadian Air Force by squadrons?
3. Into what formations are these squadrons organized, giving names?
4. What is the authorized strength of each unit or part unit as above?
5. What is the actual number presently on strength of each unit or part unit as above?

Mr. LAPOINTE: Parts 1, 2 and 3 answered; parts 4 and 5 dropped.

1. (a) 4,500—subject to the total actual strength not exceeding 3,121 for the present.
(b) 692.

2. 10 squadrons.

3. 401 (F) squadron; 438 (F) squadron; 400 (F) squadron; 411 (F) squadron; 424 (F) squadron; 420 (F) squadron; 402 (F) squadron; 406 (TB) squadron; 418 (TB) squadron; 442 (F) squadron.

ROYAL CANADIAN NAVY—RESERVE

Mr. FULTON:

1. (a) What is the strength presently authorized of the reserve of the Royal Canadian Navy? Have there been any amendments or regulations changing this and if so, what is the effect of such amendments? (b) What is the present actual strength of the reserve of the Royal Canadian Navy?
2. What is the composition of the reserve of the Royal Canadian Navy by units?
3. Into what formations are these units organized, giving names?
4. What is the authorized strength of each unit or part unit, as above?
5. What is the actual number presently on strength of each unit or part unit as above?

Mr. LAPOINTE: Parts 1, 2 and 3 answered; parts 4 and 5 dropped.

1. (a) 18,000—subject to the total actual strength not exceeding 4,400 for the present.
(b) 3,247.

2. Officers, Royal Canadian Navy (Reserve) Active List. Officers, Royal Canadian Navy (Reserve) Retired List.
Ratings, Royal Canadian Navy (Reserve) Active List. Ratings, Royal Canadian Navy (Reserve) Emergency.

3. H.M.C.S. *Scotian*; H.M.C.S. *Queen Charlotte;* H.M.C.S. *Brunswicker;* H.M.C.S. *Montcalm;* H.M.C.S. *Donnacona*; H.M.C.S. *Carleton;* H.M.C.S. *Cataraqui;* H.M.C.S. *York;* H.M.C.S. *Star;* H.M.C.S. *Prevost;* H.M.C.S. *Hunter;* H.M.C.S. *Griffon;* H.M.C.S. *Chippawa;* H.M.C.S. *Unicorn;* H.M.C.S. *Queen;* H.M.C.S. *Nonsuch* H.M.C.S. *Tecumseh;* H.M.C.S. *Discovery;* H.M.C.S. *Chatham;* H.M.C.S. *Malahat.*

AGRICULTURAL PRICES SUPPORT BOARD

Mr. WRIGHT:

1. Who are the members of the agricultural prices support board?
2. Do members of the board hold other government positions?
3. If so, what are they?
4. Has the board made any written reports to the government other than the annual report required by the Agricultural Prices Support Act?
5. If so, are these reports available to members of parliament?
6. Have any commodity boards been set up under section 9, subsection (i) of the Agricultural Prices Support Act?
7. If so, what are the names of members of such board?
8. Have any advisory committees been set up under section 9, subsection (j)?
9. If so, what are the names of members of such advisory committees?
10. How many meetings of advisory committees have been held to date?

Mr. GARDINER:

1. Mr. J. G. Taggart; Mr. Erle Kitchen; Mr. J. A. Proulx.
2. Yes.
3. Mr. J. G. Taggart is director-in-chief, agricultural services, Department of Agriculture, Ottawa.
Mr. J. A. Proulx is chief officer for the Canadian farm loan board in the province of Quebec.
4. The board reports to the minister.
5. No.
6. No commodity boards have been set up under the authority of the agricultural prices

support board. Commodity boards originally set up under the authority of the War Measures Act and continued under the National Emergency Transitional Powers Act, 1945, and the Agricultural Products Act are available to act as agents for the agricultural prices support board.

7. See answer to 6.

8. Yes.

9. H. H. Hannam, president, Canadian Federation of Agriculture, Ottawa—chairman.

J. B. Munro, deputy minister of agriculture for B.C., Victoria, B.C.

E. J. Chambers, president, Associated Growers of British Columbia, Vernon, B.C.

O. S. Longman, deputy minister of agriculture for Alberta, Edmonton, Alberta.

L. E. Pharris, director of the A.F.U. and A.F.A., Magrath, Alberta.

M. E. Hartnett, deputy minister of agriculture for Saskatchewan, Regina, Sask.

George Wright, president of U.F.C., and president of Sask. Federation of Agriculture, Borden, Sask.

W. J. Parker, president, Manitoba Pool Elevators Ltd., Winnipeg, Man.

F. W. Downing, manager, Canadian Live Stock Co-operative (Western) Limited, St. Boniface, Man.

C. D. Graham, deputy minister of agriculture for Ontario, Toronto, Ont.

B. B. Warnica, vice-president, Ontario Beef Cattle Producers Association, Barrie, Ont.

J. A. Marion, president, Quebec Chamber of Agriculture, Montreal, P.Q.

Henri Dubord, department of agriculture, Quebec, P.Q.

J. K. King, deputy minister of agriculture for N.B., Fredericton, N.B.

Harry Crandlemire, director of N.B. Potato Growers' Council, Gordonsville, N.B.

F. W. Walsh, deputy minister of agriculture for N.S., Halifax, N.S.

W. R. Shaw, deputy minister of agriculture for P.E.I., Charlottetown, P.E.I.

10. Two meetings: April 15-17, 1947, and October 29-31, 1947.

FLAG ADOPTED BY QUEBEC LEGISLATURE

Mr. CAOUETTE:

To what individual or corporation have letters patent or patents been issued for the flag adopted by the Quebec legislature on January 21, 1948?

Mr. GIBSON (Hamilton West): There is no record of the issue of letters patent for the flag adopted by the Quebec legislature on January 21, 1948.

[Mr. Gardiner.]

FILM BOARD

Mr. FRASER:

1. Does the national film board own any motor vehicles?
2. If so, how many and what is the (a) make of each; (b) style or size; (c) cost of each; (d) purchase date of each vehicle?
3. What use is made by the national film board of these vehicles?
4. Does the national film board pay full cost of repairs and maintenance of these vehicles?
5. If not, what department does and what was the total cost for 1947?

Mr. WINTERS:

1. Yes.

2. Nine—

(a), (b), (c) and (d).

Chevrolet, 1945, Van—2 ton, $2,323.00, May, 1945.

International, 1942, Panel—1 ton, $1,200.00, May, 1942.

International, 1939, Panel—¾ ton, $407.43, Feb., 1947.

Chevrolet, 1940, Station wagon—¾ ton—converted to truck, $493.00, March, 1947.

Ford, 1938, station wagon—¾ ton, $1,200.00, June, 1941.

Ford, 1940, Van—Sound truck—1 ton, $646.20, June, 1946.

Ford, 1942, Van—Mobile Unit—½ ton, $820.90, Feb., 1947.

Dodge, 1942, Station wagon—¾ ton, $561.26, Dec., 1947.

Plymouth, 1941, Station wagon—¾ ton, $522.00, Dec., 1947.

3. One vehicle (1938 Ford station wagon) is unserviceable and has been declared to War Assets Corporation for disposal.

Four vehicles are used in and around Ottawa. One vehicle is used as a mail and delivery truck for deliveries between National Film Board buildings. Three vehicles are used for local and outside deliveries. These deliveries include cans of film, graphics and displays materials, supplies and equipment such as cameras, lighting equipment, etc. The trucks are also used by various production crews when shooting on location where there is considerable camera and lighting equipment required and where it would not be economical to use a local trucker.

The sound truck is used by the Sound Department for recordings when production crews are shooting outside the city. This truck has been properly equipped for sound recordings and supplied with a portable generator unit.

The Mobile Unit truck is a used army vehicle converted into a Mobile Unit for the showing of 16 mm. films to audiences in the open air. It is widely used for showing agri-

cultural, health and other films of particular interest to rural audiences at fairs, conventions and other public gatherings, held during the spring, summer and autumn months, mainly in Ontario and Quebec.

There are two station wagons located at the regional offices in Toronto and Montreal. These are used army vehicles maintained by the National Film Board for the purpose of transporting projection equipment, supplies and films in and around these two cities.

4. Yes.

5. Not applicable.

FISHERIES COUNCIL OF CANADA

Mr. FRASER:

1. Does any branch of the dominion government contribute to the funds of the fisheries council of Canada?

2. If so, how much was contributed to the council by the government during the year 1947?

Mr. MacKINNON:

1. No.

2. Answered by No. 1.

IMMIGRATION—CHINESE

Mr. NICHOLSON:

How many Chinese have been admitted to Canada since the repeal of the Chinese Immigration Act in 1947?

Mr. McILRAITH: Nineteen have been granted permanent status in Canada up to January 31, 1948.

Mr. PEARKES:

1. How many applications have been received for entry into Canada of the wives and children of Canadian citizens of Chinese origin since the repeal of the Chinese Immigration Act in 1947?

2. How many entry permits have been issued?

3. Is it necessary for the wives and children desirous of joining their husbands in Canada to obtain the approval of officers of the immigration branch, Department of Mines and Resources, in China before sailing?

4. At what points in China are offices of the immigration branch maintained, and on what dates were they, if any, set up?

5. Is there a Canadian immigration officer in Hong Kong? If so, when did he arrive in Hong Kong?

6. At points in China where no Canadian immigration officer is stationed but at which there is a Canadian trade commissioner can the trade commissioner authorize the final entry permit to the wives and children desirous of joining their husbands or parents in Canada?

7. How many wives and children have reached Canada since the repeal of the Chinese Immigration Act in 1947?

Mr. McILRAITH:

1. 130 applications up to March 3, 1948.

2. None.

3. Yes.

4. At Hong Kong. This office was closed at the outbreak of war in the Pacific. An officer is going forward this month and it is expected that the office at Hong Kong will be in operation in April next.

5. See answer to No. 4.

6. No.

7. None.

HEALTH AND WELFARE DEPARTMENT—DOCTORS IN ADMINISTRATIVE CAPACITY

Mr. REID:

How many doctors are employed in an administrative capacity under the Department of National Health and Welfare?

Mr. MAYBANK: Twenty-eight.

HEALTH AND WELFARE DEPARTMENT—INDIANS

Mr. REID:

What expenditures, by provinces, were made by the Department of National Health and Welfare on behalf of the Indians during the year 1947?

Mr. MAYBANK:

Province	Amount
Nova Scotia	$ 85,654 63
Prince Edward Island	6,894 70
New Brunswick	69,741 00
Quebec	312,994 35
Ontario	622,089 54
Manitoba	821,589 61
Saskatchewan	347,732 52
Alberta	1,045,895 38
British Columbia	1,143,585 37
Total—Provinces	$4,456,177 10
Northwest Territories	$ 175,658 10
Yukon	47,893 67

EMPLOYMENT IN PUBLIC SERVICE

Mr. FLEMING:

How many persons were in the employ of the dominion government (a) on a temporary basis; (b) on a permanent basis, on each of the following dates: May 1, 1945; January 1, 1946; January 1, 1947; January 1, 1948?

Mr. McILRAITH:

Employees in the Civil Service of Canada, only:

Temporary—(a) May 1, 1945, 83,971; *January 1, 1946, 106,761; *January 1, 1947, 121,673; *January 1, 1948 (unrevised), 92,373.

Permanent—(b) May 1, 1945, 30,477; January 1, 1946, 31,038; January 1, 1947, 30,060; January 1, 1948 (unrevised), 32,503.

*These include extra employees in the Post Office department taken on for the Christmas rush.

TRAINING OF CHINESE PILOTS

Mr. BENTLEY:

What department of government has jurisdiction over the training of Chinese pilots?

Mr. McILRAITH: Jurisdiction over the training of all civil pilots in Canada, irrespective of nationality, is exercised by the Minister of Reconstruction and Supply under the authority of the Aeronautics Act and regulations issued thereunder.

BUILDING PERMITS

Mr. FLEMING:

1. What is the aggregate value of building permits issued in Canada, by months and by the year, in (a) 1945; (b) 1946; (c) 1947?

2. How much of such aggregate value in each of the said months and years was for (a) residential construction; (b) commercial and industrial construction?

Mr. McILRAITH:

1. and 2.

Months	Building Permits 1945 $	1946 $	1947 $
Canada	197,187,160	383,596,698	373,231,249
January	5,394,227	15,287,048	15,609,482
February	7,224,439	16,572,116	16,791,879
March	12,782,715	39,758,925	24,312,909
April	17,847,235	56,733,095	41,291,669
May	17,860,383	47,858,839	44,412,412
June	19,567,802	32,255,113	38,273,546
July	19,942,269	34,543,217	39,173,614
August	23,281,549	29,496,441	30,112,198
September	20,038,759	29,049,710	36,541,667
October	19,643,473	33,630,991	39,702,989
November	18,283,671	24,286,370	26,541,517
December	15,320,638	24,124,833	20,467,367

Months	1945 Residential $	Commercial $	Industrial $
Canada	117,888,831	23,094,399	31,891,709
January	2,400,692	993,176	1,770,535
February	3,449,565	969,925	2,480,216
March	7,326,522	1,423,767	1,542,676
April	10,893,368	1,723,672	2,541,921
May	13,936,682	1,552,371	1,759,622
June	13,157,758	1,693,459	1,711,655
July	13,044,902	2,472,303	2,761,366
August	11,529,218	2,529,504	3,687,435
September	13,037,998	2,431,666	3,182,336
October	12,646,947	2,257,140	3,076,179
November	9,993,002	2,413,701	4,006,148
December	6,472,177	2,633,715	3,371,620
		1946	
Canada	200,691,307	100,265,381	54,761,623
January	8,201,037	3,592,443	2,406,078
February	8,058,996	3,234,332	4,924,463
March	20,635,249	11,902,261	5,794,033
April	31,286,048	15,763,909	5,672,626
May	25,542,538	12,601,906	6,297,798
June	19,744,398	7,286,158	3,879,706
July	16,262,001	9,481,521	6,625,567
August	17,780,770	6,249,189	3,219,555
September	15,475,182	6,463,087	3,317,609
October	16,548,331	7,923,864	5,629,915
November	12,845,040	6,034,730	2,825,826
December	8,311,717	9,731,981	4,168,447

Note:—Breakdown for 1947, not compiled.

INDIRECT TAXES—CLOTHING, ETC.

Mr. LOW:

What is the total amount of indirect taxes collected by the federal government, at all levels of their production and sale to the ultimate purchaser, during 1947, of the following articles: (a) men's hats in the $8-$10 retail class; (b) standard four-door Ford sedan equipped as it leaves the factory; (c) Canadian worsted men's made-to-measure suit in the $70 retail price class; (d) Canadian-made men's shoes in the $8-$10 retail price class; (e) House of Lords cigars; (f) Player's cigarettes; (g) Laura Secord chocolate candy in the 90 cents a pound retail class?

Mr. WINTERS: The department has no information as to the exact amount of taxes paid on the articles referred to in the question because of the variation in prices of different manufacturers of the same lines, and the difference in value and quality of merchandise, etc.

The following information as to the application of the taxes on the various articles mentioned is, however, supplied:—

(a) Subject to sales tax only on the manufacturer's selling price to wholesalers or its equivalent;

(b) Prior to November 18, 1947, subject to a 10 per cent excise tax and an 8 per cent sales tax on the manufacturer's selling price. On and after November 18 subject to an excise tax as follows:—

At $1,200 or less, 25 per cent;

At more than $1,200 but not more than $2,000, 25 per cent on $1,200 plus 50 per cent on the amount in excess of $1,200;

At more than $2,000, 25 per cent on $1,200 plus 50 per cent on $800, plus 75 per cent on the amount in excess of $2,000;

and to a sales tax of 8 per cent on the manufacturer's selling price.

(c) Same as in (a).

(d) Same as in (a).

(e) Cigars are subject to an excise tax of 25 per cent and to a sales tax of 8 per cent on the manufacturer's selling price to wholesalers or its equivalent. Cigars are also subject to an excise duty of $1 per thousand.

(f) Cigarettes are subject to an excise tax of 2 cents for each five cigarettes or fraction of five cigarettes contained in any package, and to a sales tax of 8 per cent payable on the manufacturer's selling price to wholesalers or its equivalent. They are also subject to an excise duty of $6 per thousand.

(g) Chocolate candy of this type is subject to an excise tax of 30 per cent and to a sales tax of 8 per cent on fifty-one per cent of the retail selling price.

If any of the goods mentioned were imported, the sales tax and the ad valorem excise taxes would apply on the duty paid value. The specific excises would be as stated.

IMPROVEMENT OF NUTRITION

Mr. LAURENDEAU:

What is being done by the Department of National Health and Welfare for the improvement of nutrition in Canada?

Mr. MAYBANK: Surveys have indicated that malnutrition is a condition not confined to any one particular part of the country or income group. It may be said that the three main causes of faulty nutrition are lack of money, lack of information and lack of interest. The Department of National Health and Welfare is taking active steps on all three fronts. The payment of family allowances makes possible the spending of a larger amount on adequate foods. Along with other agencies the department is active in combatting the lack of information on proper nutrition and in attempting to arouse interest in the subject.

The nutrition work of the department is greatly aided by the Canadian council on nutrition which meets twice yearly to plan future programs, ensure co-ordinated effort and eliminate possible duplication of services. The council is representative of provincial and private agencies and consists of scientists, home economists, doctors and others who give freely of their time to answer problems referred to them and also bring to the attention of the department any aspect of nutrition which they consider important and concerning which remedial action should be taken.

While several divisions of the Department of National Health and Welfare take part in efforts to improve the nutritional status of Canadians, the one most intimately connected with the problem is the nutrition division. Also co-operating in that field are such divisions as those relating to child and maternal health, dental health, civil service health, Indian health and family allowances.

The prime responsibility of the nutrition division on its formation in 1941 was to improve the health of war workers through encouraging improved nutrition both in the workers' homes and in connection with cafeterias and canteens operated by war contract plants. While the activities of the nutrition divisions were originally related mainly to the war effort, the end of hostilities has seen a continuation and broadening of its aims. In its objective to improve the health of Canadians through improved nutrition the department has sought and is receiving the active co-operation of provincial and private agencies.

For the past two years the nutrition division has conducted nutrition surveys, on request, in various parts of Canada; in particular in British Columbia, Saskatchewan, Ontario, Quebec and Nova Scotia. Along with the surveys a special effort is made to discuss individual problems with the persons studied or, in the case of children, with their parents. The results show that in some sections one child in five has evidence of past rickets; in other sections one person in eight is definitely anaemic. There are evidences that nutritional levels are improving but improvement is achieved slowly. Much more needs to be done and, with the co-operation of various interested governmental and private agencies the work is proceeding.

All types of educational approaches are being used to assist Canadians in establishing good food habits. The nutrition division has prepared booklets, posters, films, filmstrips and teaching materials on various aspects of food and nutrition. Literature has been compiled on food budgeting, school lunches, the feeding of those in different age groups, the value and sources of particular foods and food elements, and on approved methods of cookery. A point of interest is that the nutrition division prepares the bulk of nutrition education material in use in Canada and distributes it free of charge, with most of it being channelled to and through the provincial governments. In the educational approach to nutrition problems the Canadian council on nutrition has played a very important guiding role.

Although inspection of food services in war industries stopped with the end of the war, many Canadian plants have continued to operate such services. Part of the work of the department consists of continuing to give advice on matters of food service to industries requesting it. Information and assistance in connection with group feeding is also sought by camps, hospitals and other institutions, and by other departments of the federal government. During the past year, in response to a request from the Indian health services, the nutrition division established a consultation and advisory service on food and nutrition in Indian residential schools across Canada. Many of these schools have been inspected by nutrition experts, and steps are being taken to improve the nutrition and health of our Indian population.

A result of the greater interest in food and nutrition problems has been an increasing number of inquiries received by the department on such subjects. In many cases such requests can be dealt with by forwarding literature on the particular topic. In other cases reference is made to the department's nutrition library in order to supply data on particular points. The information requested may vary from a very small item to a request for detailed plans for a provincial nutrition program or a request for assistance in planning a large scale food service and appropriate meals.

FILM BOARD—OFFICES IN OTHER COUNTRIES

Mr. STEWART (Winnipeg North):

1. What offices had the national film board in (a) the British commonwealth; (b) the United States; (c) other countries as of December 31, 1947?

2. How many persons were employed in each office and what were their classifications and salaries?

3. How many films were (a) sold; (b) rented; (c) exhibited free during the nine month period April 1, 1947 to December 31, 1947, in each of the areas mentioned in first question?

Mr. WINTERS:

1. (a) London, England; Sydney, Australia. (b) New York, Washington, Chicago. (c) Mexico City, Mexico.

2. (a) London, England—6 persons—

Name—Classification—Salary

Golightly, J. P. R., N.F.B. representative, $480 per month; Jenner, H. L., stenographer, £5-12-6 per week; Slater, M. C., stenographer, £5-6-0 per week; Swift, M., office boy, £3 per week; Urquhart, E., distribution assistant, $215 per month; Leigh, M., production and distribution assistant, $215 per month.

Sydney, Australia—4 persons—

Donohoe, V., secretary, £6-10 per week; Ashcroft, D., clerk, £7-10 per week; Dowling, M., office boy, £3 per week; Watson, H., distribution officer, $300 per month.

(b) New York office—6 persons—

Apuzzo, A., messenger and shipping clerk, $215 per month U.S.; Mitchell, P. C., secretary, $170 per month U.S.; McKenzie, M., bookkeeper and clerk, $220 per month Can.; Scellen, J., distribution officer, $300 per month Can.; Scythes, E. W., distribution officer, $300 per month Can.; Sims, A., clerk, $172 per month Can.

Washington office—3 persons—

Macoun, P., film librarian, $195 per month Can.; Savage, L., distribution officer, $300 per month Can.; Schmidt, A. F., secretary, $200 per month U.S.

Chicago office—3 persons—

Carter, M., distribution officer, $375 per month U.S.; Hager, M. R., clerk-typist (part-time), $125 per month U.S.; Murray, R., secretary, $1.15 per hour U.S.

(c) Mexico City office—2 persons—

Hirst, M., production and distribution officer, $250 per month; Nieto, J., office boy, 300 pesos per month.

3. (a) Films sold:

Canada, 2,189 prints; British commonwealth (excluding Canada), 234 prints; United States, 1,060 prints; other countries, 93 prints.

Note: The figures given in 3 (a) are sales to agencies and exhibitors who, in turn, rent or exhibit the films free, but no reports or records on such showings or rentals are provided to the National Film Board.

(b) Films rented:

Canada, 150 prints—total 47,194 recorded showings; British commonwealth (excluding Canada), 214 prints—total 6,091 recorded showings; United States, 399 prints—total 3,466 recorded showings; other countries, 168 prints —total 4,558 estimated showings.

Note: The figures given in 3 (b) are rentals made directly by the National Film Board and do not take account of rentals of films which have been sold to agencies or exhibitors.

(c) Films exhibited free:

Canada, 16,831 prints—total 120,941 recorded showings; British commonwealth (excluding Canada), 3,302 prints—total 32,612 recorded showings; United States, 655 prints—total 2,940 recorded showings; other countries, 2,487 prints —total 7,460 estimated showings.

Note: The figures given in 3 (c) do not include prints of newsreel stories of which 16 stories were released by major newsreel companies in the United States for world distributors reaching audiences estimated at more than 70 million.

HEALTH AND WELFARE—FOOD AND DRUGS DIVISION

Mr. MacLEAN:

What was the purpose of combining the food and drug division, the advertising and labels division, and the proprietary or patent medicine division as the directorate of food and drug division in the Department of National Health and Welfare?

Mr. MAYBANK:

The food and drugs division, the proprietary or patent medicine division and the advertising and labels division of the department have been combined and organized as a directorate for the following reasons:

1. Administrative reasons:

A. The work of the food and drugs division and the advertising and labels division overlaps because—

(a) Both divisions were established to enforce provisions of the Food and Drugs Act. The Food and Drugs Act deals, among other things, with adulteration and misbranding and false, misleading or exaggerated claims for foods or drugs. Its provisions cannot be completely and easily divided into two parts, one dealing solely with advertising and labels and the other with adulteration or health measures. The limits of the duties of the two divisions cannot, therefore, be clearly defined. Confusion from their activities can only be prevented through direction by a single authority.

(b) The Food and Drugs Act was designed, as evidenced by its wording and arrangement as well as its history, to be administered by one authority, the chief dominion analyst, who is mentioned in the act. The food and drugs division under the chief dominion analyst was organized for this purpose and has the necessary laboratory and inspection services. Punitive or corrective action in respect to improper labels and advertising can only be instituted in many cases after collection of an official sample by the inspection services and analyses by the laboratory. Much of the work on advertising and labels must, therefore, be carried out through the food and drugs division unless parallel services were to be established in the advertising and labels division. Such a situation could be a potential source of confusion and conflicting authority.

(c) The Food and Drugs Act necessarily places restrictions on trade. These restrictions must be uniformly enforced throughout the country, and those on advertising and label claims must be correlated with the composition of the products and vice versa. Correlation and uniformity can be most efficiently obtained through one authority: i.e. by bringing the two divisions into one directorate.

(d) Much of the work of examining advertising and labels in a locality must be carried out by the inspectors and offices of the food and drugs division; another case of overlapping work.

B. The work of the proprietary or patent medicine division is closely related to the work of both the food and drugs division and the advertising and labels division.

(a) The Proprietary or Patent Medicine Act deals with secret formula remedies. These contain ingredients which are under the authority of the Food and Drugs Act. It is necessary that claims made for secret formula remedies, on the basis of these ingredients do not exceed or be essentially different from those made for the same substances under the Food and Drugs Act. This requires a careful and close correlation of the work of the proprietary or patent medicine division and the advertising and labels division.

(b) The analysis of patent medicines is carried out in the laboratories of the food and drug division. The collection of samples of patent medicines for official examination is made by inspectors of the food and drugs division. These activities require correlation of the proprietary or patent medicine division and the food and drugs division.

2. Reasons of economy:

(a) Since both proprietary or patent medicine division and advertising and labels division require inspection and laboratory services and these already exist in the food and drugs division, the use of the existing services for all three divisions make for economy and efficiency.

(b) Economies can also be effected in clerical staffs.

(c) The inspection services of the food and drugs division require the supervision of a senior administrative officer and this function has been given to the chief of advertising and labels.

3. Reasons of enforcement:

It is highly desirable that the trade and public have one closely knit group to deal with in the matter of food and drug laws and enforcement rather than three separate independently acting divisions.

SALE OF BUILDING IN MALTON, ONT.

Mr. MENARY:

1. Did the government recently sell a large building at Malton, Ontario?

2. If so, who was the purchaser?

3. What was the purchase price?

Mr. McILRAITH:

1. Yes. War Assets Corporation sold building No. 13, drill hall, on October 27, 1947. This was the last sale on record at this location.

2. The Lions Club of Weston, Bank of Nova Scotia chambers, Weston, Ontario.

3. Building No. 13, drill hall, was sold to the buyer, as shown in answer to question 2, for $7,200. The building was sold as the result of tender negotiations; conditions—removal and restoration of site.

NATIONAL DEFENCE—PETROLEUM PRODUCTS

Mr. MOORE:

1. Did the Department of National Defence purchase fuel oil, diesel oil or gasoline from Brahien Petroleum Company of Canada during world war two?

2. If so, what was the total amount of oil purchased and the total cost to the Department of National Defence?

[Mr. Maybank.]

Mr. LAPOINTE:

1. No.

2. Answered by No. 1.

USE OF "CANADA" OR "CANADIAN" IN COMPANY TITLE

Mr. BLACK (Cumberland):

1. How many companies were granted charters whose names incorporated the use of the word "Canada" or "Canadian" during 1947?

2. Is it now the policy of the department to refuse applications of companies desiring to incorporate the word "Canada" or "Canadian" in their company title, and if so, under what authority is such refusal being made?

Mr. GIBSON (Hamilton West):

1. One hundred and seventy-seven companies whose names included the word "Canada" or "Canadian" (English and French versions) were granted letters patent during the period January 1, 1947, to December 31, 1947, inclusive.

2. No.

VETERANS INSURANCE ACT

Mr. MILLER:

1. What is the total amount, by provinces, in dollars, of insurance taken out by veterans under the provisions of the Veterans Insurance Act?

2. What is the aggregate of such insurance for Canada?

3. How many veterans, by provinces, have taken out such insurance?

4. How many death claims (a) have been made; (b) have been settled?

Mr. GREGG:

Return at January 31, 1948: (Figures include insurance taken out by veterans, widows, pensioners, and members of civilian groups entitled by statute or order in council to contract for insurance, but exclude cases where the policy holder was resident out of Canada at time of application for insurance).

1 and 3.

Province	Amount $	No. of policy holders	No. of policies
Prince Edward Island	117,000	49	50
Nova Scotia	946,500	326	345
New Brunswick	904,000	322	335
Quebec	7,130,500	2,384	2,461
Ontario	15,870,500	5,084	5,339
Manitoba	3,409,500	1,214	1,258
Saskatchewan	1,757,000	606	628
Alberta	2,850,500	974	1,005
British Columbia ...	4,955,000	1,695	1,771
N.W.T.—Yukon	43,000	9	10

2. $37,983,500.

4. (Figures include all death claims.)

	Number of lives	Number of policies
(a)	71	75
(b) Claims approved	48	51
Claims paid in full	31	31
Claims still in payment as annuities	17	20

RETURNED SOLDIERS' INSURANCE ACT

Mr. MILLER:

1. What is the total amount, by provinces, in dollars, of insurance taken out by veterans under the provisions of the Returned Soldiers' Insurance Act?

2. What is the aggregate of such insurance for Canada?

3. How many veterans, by provinces, have taken out such insurance?

4. How many death claims (a) have been made; (b) have been settled?

Mr. GREGG:

Return at January 31, 1948:

1, 2 and 3. (Figures include insurance taken out by veterans and widows, but exclude cases where the policy holder was resident out of Canada at time of application for insurance.)

Province	Amount	No. of policy holders
Prince Edward Island	$ 251,500	86
Nova Scotia	3,512,500	1,383
New Brunswick	2,172,000	882
Quebec	11,254,500	4,820
Ontario	41,042,000	18,637
Manitoba	8,527,000	3,904
Saskatchewan	8,746,000	3,501
Alberta	9,517,000	3,938
British Columbia	12,713,000	6,103
Yukon	29,000	11
Northwest Territories	10,000	2
Aggregate	$97,774,500	

4. (Figures include all death claims.)

(a) 7,355.

(b) Claims approved, 7,212; claims paid in full, 6,490; claims still in payment as annuities, 722.

HEALTH AND WELFARE DEPARTMENT—HOSPITAL DESIGN DIVISION

Mr. PINARD:

1. What assistance have the provinces requested of the hospital design division, Department of National Health and Welfare?

2. Has the said division been consulted by bodies other than provincial departments?

3. Is the said division assisting other federal departments in their problems relating to design and construction?

4. In its advisory capacity, has the said division issued any publication?

Mr. MAYBANK:

1. Specific requests from the provinces have been for (a) advice on choosing a site for a mental hospital, and a general over-all plan for such an institution; (b) preliminary planning of provincial health clinics, laboratories and offices; and (c) consultation on specific small hospital plans; in short, the provinces have been requesting a consultation service.

2. Yes, by the Catholic Hospital Council of Canada, the Grenfell Labrador medical mission, individual hospital boards and certain architectural firms.

3. No. To date, assistance has only been requested by and given to other divisions of the Department of National Health and Welfare, namely the civil service health division, child and maternal health division, research division, Indian health services directorate, laboratory of hygiene, quarantine immigration medical services and treatment of sick mariners, and the food and drugs divisions.

4. Yes. At the request of the provincial health departments five articles have been produced on various aspects of hospital construction. These, as well as copies of articles and reports from other countries, have been circulated to the provinces.

CANADA-ASIA AIR TRANSPORT

Mr. BRYCE:

1. Have the Canadian Pacific Air Lines for Canadian Pacific Railway applied for the right to operate aeroplanes over any route from Canada to Europe or Asia in the business of carrying persons, freight or express?

2. Has permission or licence been granted to this company?

Mr. McILRAITH:

1. No.

2. Answer in No. 1.

FILM BOARD—PHOTO-FLASH BULBS

Mr. FRASER:

1. What quantity of flashlight bulbs did the national film board buy during the year 1947 for their stills department?

2. How many of these bulbs were of Canadian manufacture?

3. Were any of these bulbs imported from the United States of America?

4. If so, what quantity was imported (a) prior to November 18, 1947; (b) from November 18, 1947 to December 31, 1947; (c) from January 1, 1948 to March 1, 1948?

5. What was price paid for flashlight bulbs bought in Canada?
6. What was total cost of flashlight bulbs imported during 1947?
7. What was cost of flashlight bulbs imported since 1947?

Mr. WINTERS:

1. Type	Quantity	Amount
Photo-flash #25 white	480	$ 68.16
Photo-flash (super) Wabash press #40	3,240	517.05
Photo-flash #5B	1,800	309.59
Photo-flash Sync Press #5..	9,600	1,114.35
Photo-flash Mazda #22.....	3,240	479.56
Photo-flash #31 focal plane.	258	57.52
	18,618	$2,546.23

2. All.
3. No.
4. Not applicable.
5. $2,546.23.
6. Nil.
7. Nil.

NATURALIZATION—CHINESE

Mr. MacINNIS:

1. How many applications for naturalization were received in the calendar year 1947 from persons of Chinese nationality resident in Canada?
2. How many naturalization certificates were issued to persons of Chinese nationality?

Mr. GIBSON (Hamilton West):

1. Applications for naturalization (Canadian citizenship) received during the calendar year 1947, from persons of Chinese nationality resident in Canada, are as follows:

(a) Applications filed by Chinese aliens, but not yet approved by the courts, 1,578.

2. Number of certificates of Canadian citizenship issued to persons of Chinese nationality during the calendar year 1947, as follows:

(a) Certificates issued to Chinese aliens	30
(b) Certificates of proof of status issued to Chinese born in Canada.....	19
(c) Certificates of proof of status issued to Chinese naturalized under prior legislation	44
Total.....	93

VETERANS PENSIONS—STATUS ON REMARRIAGE

Mr. COLDWELL:

1. Is there a date after which, if veterans of the first world war marry or remarry, no additional pension is payable on behalf of the wife?
2. If so, what is this date?
3. If such a date has been set what is the reason for setting (a) any date; (b) this particular date?

[Mr. Fraser.]

Mr. GREGG:

1. Yes.
2. May 1, 1944.
3. (a) and (b) Decisions of parliament, as enacted by chapter 45, 23-24 George V, assented to May 23, 1933, and chapter 62, 10 George VI, assented to August 31, 1946.

AIR TRAINING PLAN

Mr. CHURCH:

Will consideration be given to re-establishing the empire air training plan for future defence purposes of the commonwealth?

Mr. LAPOINTE:

1. Each of the nations in the British commonwealth has its own air force and arrangements for training and no commonwealth government has suggested a re-establishment of the British commonwealth air training plan. There is close co-operation and exchange of information, and a number of R.C.A.F. officers are in the United Kingdom and a number of R.A.F. officers are in Canada on instructional or staff work.

All matters relating to defence between the nations of the commonwealth will continue to be considered as occasion requires.

EMPIRE AND WESTERN HEMISPHERE DEFENCE

Mr. CHURCH:

1. Did the Minister of National Defence go to Washington to discuss with the President or Secretary for War of the United States, plans for joint defence of the western hemisphere, or of the two countries, Canada and the United States? If so, when?
2. Has the Minister of National Defence held any conferences with the Secretary of State for War of Great Britain, on defence, or with the ministers of defence for the other dominions on the joint defence of the empire in future?

Mr. MACKENZIE KING:

1. The Minister of National Defence was in Washington from January 12 to 15, where he was received by the President, visited the United States Naval Academy at Annapolis, and the War College and met the Secretary of Defence, the Secretary of the Army, the Secretary of the Navy and the Secretary of the Air Force, the four Chiefs of Staff, the United States Section of the Permanent Joint Board on Defence, the liaison officers in Washington of the United Kingdom, Australia, New Zealand and South Africa, and the Canadian Joint Staff Mission. In the course of these meetings there were exchanges of information on defence organization, training of officers, etc.

2. Since his appointment, the Minister of National Defence has not been in the United Kingdom and none of the British defence

ministers has been in Canada. Discussions similar to those at Washington took place with the Minister of Defence, the three service ministers and various officials in Australia and also in New Zealand with the Minister of Defence, the chiefs of staff and other officials. There are continuous exchanges of information between the defence departments of the United Kingdom and other nations of the commonwealth.

POST OFFICES—NEW BRUNSWICK

Mr. HATFIELD:

1. How many government-owned post offices are there in New Brunswick with a revenue less than $10,000 per year?

2. Where are these offices located?

Mr. BERTRAND (Laurier):

1. 21.

2. Atholville, Buctouche, Chipman, Gagetown, Hampton Station, Hartland, Hillsborough, Marysville, Milltown, Minto, North Head, Perth, Rexton, Richibucto, Rogersville, St. George, St. Leonard, Salisbury, Shediac, South Nelson, West Bathurst.

ALASKA FUR SEAL AGREEMENT

Mr. PEARKES:

1. What is the number of seal skins which have been delivered to Canada annually during the past five years under the Alaska fur seal agreement between Canada and the United States?

2. Where have these skins been cured?

3. What portion, if any, of the expenses connected with the killing, shipping, curing and sale of these skins is borne by Canada?

4. What amounts have been received by Canada during the past five years for the sale of the skins?

5. Has the sale of any portion of Canada's share in the total number of seals killed under the agreement taken place outside of Canada?

6. If so, what revenue did Canada derive from such transaction?

Mr. MacKINNON:

1.

1943	23,433
1944	9,530
1945	15,393
1946	12,905
1947	12,289

2. Skins were processed and dyed as follows:

	At London	At St. Louis
1943	9,454	13,979
1944	5,530	4,000
1945	11,992	3,401
1946	3,230	9,675
1947	3,687	8,602

3. Killing—Nil.

Shipping—Under existing arrangements United States delivers Canada's share, charges free to Seattle. Canada assumes shipping charges from Seattle. There was an exception in 1944 when U.S. government vessel was not available and Canada assumed its share of charter of commercial vessels. Canada also purchases barrels in which her share is shipped.

Curing (processing and dyeing)—All costs assumed. Blubbering costs on skins shipped to London are also payable. This charge is included in processing and dyeing charges by St. Louis.

4.

1943-44	$ 219,260 71
1944-45	374,743 20
1945-46	1,013,879 42
1946-47	866,721 27
1947-48	994,061 60 (to Feb. 29, 1948)

5. Yes.

6.

1943-44	$ 97,222 42
1944-45	91,238 25
1945-46	319,047 42
1946-47	189,131 46
1947-48	66,450 31 (to Feb. 29, 1948)

The difference between these figures and those shown in No. 4 represents the gross revenue from sales in Canada.

NATIONAL HOUSING ACT, 1944

Mr. FLEMING:

Up to December 31, 1947, under the National Housing Act, 1944 (a) how many contracts have been entered into under part I; (b) what is the total number of houses for which loans have been authorized under part I; (c) how many of such houses have been completed and are now occupied; (d) what is the total amount of the loans authorized under part I; (e) how many contracts have been entered into under part II of the act; (f) what is the total number of rental housing projects for which loans have been authorized under part II; (g) how many of such rental housing projects are low-rental housing projects; (h) how many of such rental housing projects have been completed and are now occupied, and how many of them are low-rental housing projects, and where are they located; (i) what is the total amount of the loans authorized under part II; (j) how many limited dividend corporations have been recognized as qualified to receive loans under section 9 of the act? What are they and where are they authorized to operate rental housing projects? Which ones are institutional housing corporations, and which are institutional holding companies; (k) which of such limited dividend housing corporations have received loans under part II; (l) (1) to how many municipalities have grants been made pursuant to section 12; (2) what are the individual amounts of such

grants and what municipalities respectively received them; (3) what are the other terms, if any of the said grants; (m) (1) how many municipalities have applied for grants pursuant to section 12; (2) how many have been refused; (3) how many of such applications are still pending; (n) how many contracts have been entered into under part III; (o) (1) what is the total number of houses for which loans have been authorized under part III; (2) how many of such houses have been completed and are now occupied; (p) what is the total amount of the loans authorized under part III; (q) how many contracts have been entered into with manufacturers of plumbing and heating equipment or other component parts of houses, pursuant to section 15; (r) how many payments have been made under part IV, and what is the total thereof; (s) what studies and investigations, planning and research have been carried on under part V; (t) what expenditures have been made pursuant to part V out of the $5,000,000 authorized by parliament in 1945, under section 27A?

Mr. McILRAITH: Almost all the information asked for in this lengthy question is provided in the annual report which is tabled in accordance with the statute. That report should be coming forward well within the time provided by law. I suggest that the question be dropped and if there are any parts of the information being sought that are not provided by the annual report, those parts can be put back on the order paper as a question.

Mr. FLEMING: I suggest that a better method, Mr. Speaker, is to leave the question on the order paper until we see whether the report, when tabled, provides the answer.

Some hon. MEMBERS: Dropped.

Mr. FLEMING: Stand.

Mr. McILRAITH: I should like to point out, Mr. Speaker, that it is no function of a question, as I understand the rules, to anticipate an annual report provided for by statutes. As the question is now worded it merely anticipates and seeks to obtain information in advance of the report being tabled. The report will be ready within the time provided for by statute.

Mr. SPEAKER: Dropped.

Some hon. MEMBERS: Stand.

Mr. FLEMING: I cannot consent to the withdrawal of this question, Mr. Speaker. The question is not simply in anticipation of the annual report. There is a great deal of information there, if this year's report is like the reports of other years, and it would take a great deal of time to isolate the particular information required. I am asking that this question remain on the order paper.

[Mr. Fleming.]

Some hon. MEMBERS: Dropped.

Some hon. MEMBERS: Stand.

Mr. SPEAKER: Is the parliamentary assistant agreeable to allowing the question to stand?

Mr. McILRAITH: I am not prepared at the moment, Mr. Speaker, to argue the rules of the house. But I suggest that the question ought never to have been received in its present form. However, if the hon. member for Eglinton desires to let it stand and proceed in that manner, I have no personal objection. It merely seems to me to be rather a waste of money.

Mr. SPEAKER: Stand.

QUESTIONS PASSED AS ORDERS FOR RETURNS

EXPORTS TO RUSSIA

Mr. LACOMBE:

1. During 1945 and 1946, did Canada export any war materials to Russia?
2. If so, what amount has been spent by Canada for that purpose?
3. Since the cessation of hostilities, has Canada exported other goods to Russia?
4. If so, what is the total value of such goods?
5. Has Russia repaid, wholly or partly, the war expenditure incurred by Canada to assist Russia?
6. If so, what is the amount of such repayment?

NATURALIZATION

Mr. MacINNIS:

1. How many naturalization certificates were issued in the calendar year 1947, and how were they divided as to former citizenship?
2. How many applications for citizenship were refused in the same period?
3. What are the chief reasons for refusing to issue naturalization certificates?

Mr. GIBSON (Hamilton West): Return tabled.

RADIO BROADCASTING—LICENCES

Mr. REID:

1. What was the number of radio licences issued, by provinces, for the fiscal year 1946-47?
2. What amount of money has been expended by the Canadian Broadcasting Corporation in each province for the fiscal year 1946-47?

Mr. GIBSON (Hamilton West): Return tabled.

EXPORT OF ARMS AND WAR MATERIALS

Mr. FLEMING:

1. What arms, war materials and military aircraft and parts were exported from Canada in 1947 (listed according to categories, months and countries to which they were exported)?

2. Who were the exporters and what was the amount of such material exported by each?

Mr. McILRAITH: Return tabled.

FEDERAL GOVERNMENT SALARIES PAID IN QUEBEC PROVINCE

Mr. BERTRAND (Terrebonne):

What was the amount of salaries paid in the province of Quebec by the government of Canada during 1945, 1946 and 1947?

SUBSIDIES TO GOVERNMENT OF QUEBEC PROVINCE

Mr. BERTRAND (Terrebonne):

1. What was the amount of subsidies or grants paid by the government of Canada to the government of the province of Quebec during 1945, 1946 and 1947?
2. How much was paid by each department and for what purposes?

VETERANS AFFAIRS—HOUSING—LINCOLN COUNTY

Mr. LOCKHART:

1. How many veterans have signed contracts to date for houses built under the V.L.A. at (a) Niagara Falls; (b) Welland; (c) St. Catharines?
2. What are the names of veterans who have signed such contracts?
3. What deposit was made in each case?
4. Were the prices included in the contracts signed, above or below the prices indicated to the veteran at the time he took possession and paid the required deposit?
5. Were there any price increases in contracts signed? If so, what was the reason for the advance in price?
6. Are the septic tank installations in the houses at St. Catharines unsatisfactory?
7. If so, what is being done to correct same?
8. Has any additional work been done on these V.L.A. houses at St. Catharines since January 1, 1947 to date? If so, at what cost?

VETERANS LAND ACT—STRATFORD, ONT.

Mr. BRADSHAW:

1. What was the unit cost of the houses constructed by the V.L.A. at Stratford?
2. What was the cost of each house to the veteran?
3. What was the cost of alterations and repairs to these houses since construction?
4. Is there special sewage disposal equipment for these houses?
5. If so, what was the cost of installation?
6. Is there any charge now being made for the operation of this equipment?
7. If so, what is the charge and who pays it?

MOTIONS FOR PAPERS

YUKON QUARTZ MINING ACT—SURVEYING OF MINERAL CLAIMS

Mr. BLACK (Yukon):

For a copy of all correspondence and communications between the Minister of Mines and Resources, all officials of his department and corporations and/or persons concerning the action now being taken by the minister and officials of his department to enforce the provisions of section 78 of the Yukon Quartz Mining Act, notifying owners of unsurveyed mineral claims in Yukon to have them surveyed by a dominion land surveyor within one year from the date upon which such notification is sent.

HONG KONG—CORRESPONDENCE SINCE JANUARY 29, 1948

Mr. BRACKEN:

For a copy of all correspondence between the British and Canadian governments since and including January 29 last relative to any matter arising out of the Canadian expeditionary force sent to Hong Kong in 1941.

Mr. MACKENZIE KING: When I saw this motion on the order paper for the production of the correspondence mentioned, I thought it advisable to secure the opinion of the Clerk of this house before giving an answer as to what would be appropriate in the matter of producing the papers. I shall read to the house the opinion which the Clerk has given to me. I would remind hon. members that the Clerk is the recognized authority on Canadian parliamentary practice and the rules of the House of Commons. The opinion that I have received from the Clerk is as follows:

Motion No. 3 calls for all correspondence between the British and the Canadian governments since and including January 29 last relative to any matter arising out of the Canadian expeditionary force sent to Hong Kong in 1941. This motion does not take into consideration that there may be matters which, for some reason or other, it is not advisable to produce. If the motion is adopted, the government will be bound to table even correspondence which it is not otherwise free to make public. Redlich says, in vol. II, page 42:

"On the question of communicating diplomatic documents, every government must have a discretion as to what ought to be published and what suppressed."

Todd says, at page 356, volume I of Parliamentary Government in England:

"But a certain amount of discretion must always be allowed to the government in respect to communicating or withholding documents and official correspondence which may be asked for by either house of parliament."

And at page 454 Todd deprecates "the inexpediency of applications for documents which the responsible advisers of the crown consider it imperative to withhold."

It is a well known rule that correspondence between our government and another cannot be tabled unless both agree to its production; and, moreover, none of the correspondence should be made public while negotiations are still pending.

Arthur Beauchesne,
Clerk of the House of Commons.

I must say that I agree with the opinion expressed by the clerk, Mr. Beauchesne. Therefore I feel that the papers asked for cannot be laid on the table.

Mr. BRACKEN: Well, Mr. Speaker, here is the motion before us. What is your ruling?

Mr. SPEAKER: As the hon. member knows, according to standing order 51 these motions are not debatable. If the hon. gentleman is not prepared to withdraw his motion I shall have to put it to the house.

Mr. BRACKEN: I am not prepared to withdraw it. I am aware that it cannot be debated, but I must observe—

Mr. SPEAKER: Under the rules such motions are not debatable. Therefore I must put the motion to the house.

The house divided on the motion (Mr. Bracken) which was negatived on the following division:

YEAS

Messrs:

Adamson
Ashby
Aylesworth
Barrett
Black (Cumberland)
Black (Yukon)
Blair
Boucher
Bracken
Bradshaw
Brooks
Caouette
Cardiff
Case
Casselman
Charlton
Church
Cockeram
Coyle
Daniel
Diefenbaker
Dorion
Drope
Ferguson
Fleming
Fulton
Gagnon
Gibson (Comox-Alberni)
Graydon
Green
Harkness
Hatfield
Hazen
Henderson
Héon
Hodgson
Homuth
Jackman
Kidd
Lennard
Lockhart
Macdonnell (Muskoka-Ontario)
McGregor
McLure
McMaster
MacNicol
Manross
Menary
Merritt
Murphy
Pearkes
Raymond (Beauharnois-Laprairie)
Ross (St. Paul's)
Ross (Souris)
Rowe
Skey
Smith (Calgary West)
Stephenson
Stokes
Tustin
White (Hastings-Peterborough)—61

NAYS

Messrs:

Argue
Arsenault
Baker
Beaudoin
Beaudry
Belzile
Benidickson
Bentley
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Blackmore
Blanchette
Boivin
Bourget
Bowerman
Bradette
Brown
Bryce
Burton
Campbell
Castleden
Chevrier
Claxton
Cleaver
Cloutier
Coldwell
Coté (Matapedia-Matane)
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cournoyer
Croll
Cruickshank
Dechene
Denis
Dickey
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Dubois
Emmerson
Eudes
Fair
Farquhar
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gardiner
Gariépy
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Hamilton West)
Gingues
Gladstone
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Gregg
Hallé
Harris (Grey-Bruce)
Hartt
Healy
Herridge
Hlynka
Howe
Ilsley
Irvine
Isnor
Jaenicke
Jaques
Jean
Johnston
Jutras
King, Mackenzie
Knight
Knowles
Lafontaine
Lalonde
Langlois
Lapalme
Lapointe
Laurendeau
Leger
Lesage
Little
Low
McCann
McCuaig
McCulloch (Pictou)
McCullough (Assiniboia)
Macdonald (Brantford City)
McDonald (Parry Sound)
McIlraith
MacInnis
McKay
MacKinnon
MacLean
MacNaught
Maloney
Marier
Marquis
Marshall
Martin
Matthews (Brandon)
Matthews (Kootenay East)
Maybank
Mayhew
Michaud
Mitchell
Moore
Mullins
Mutch
Nicholson
Nixon
Parent
Picard
Pinard
Power
Probe
Quelch
Raymond (Wright)
Reid
Richard (Gloucester)
Rinfret
Robinson (Simcoe East)
Ross (Hamilton East)
St. Laurent
Shaw
Sinclair
Sinnott
Smith (York North)
Stewart (Winnipeg North)
Stuart (Charlotte)
Thatcher
Townley-Smith
Tremblay
Tucker
Viau
Warren
Weir
Whitman
Winkler
Winters
Wright
Wylie
Zaplitny—146

(Translation):

Mr. HAMEL: I was paired with the hon. member for Champlain (Mr. Brunelle). Had I voted, I would have voted for the motion.

Mr. BONNIER: I was paired with the hon. member for Bruce (Mr. Robinson). Had I voted, I would have voted against the motion.

(Text):

HONG KONG—MALTBY REPORT

Mr. BRACKEN:

For a copy of all correspondence, written communications or memoranda respecting oral or telephonic communications between (a) the British government and the Canadian High Commissioner's office in London; (b) the Canadian government and the British High Commissioner's office in Canada; (c) the British and Canadian governments, either through ministers of the crown or public office, relative to the Maltby report on Hong Kong made public by the British War Office on January 29 last.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I should like to read to the house the motion and then give my reasons for believing that the motion should not be accepted. The motion reads:

For a copy of all correspondence, written communications or memoranda respecting oral or telephone communications between (a) the British government and the Canadian High Commissioner's office in London; (b) the Canadian government and the British High Commissioner's office in Canada; (c) the British and Canadian governments, either through ministers of the crown or public office, relative to the Maltby report on Hong Kong made public by the British war office on January 29 last.

When I saw that motion I consulted the Clerk of the House, who is an authority on parliamentary practice and the rules of this house, and asked his opinion with reference to it. I now intend to read the opinion which has been given to me by Mr. Beauchesne, the Clerk of the House.

Mr. KNOWLES: I rise to a point of order. On a similar motion a moment ago Your Honour ruled that it was not debatable. Would that not also cover remarks made by the Prime Minister?

Mr. SPEAKER: The hon. member will realize that I put the motion to the house. It is a motion that an order of the house do issue for the production of certain papers. It is up to the government to decide whether the papers should be tabled, and if the government does not intend to table the papers the leader of the house should have an opportunity to say why. If there is no objection to the motion, the motion is carried, but practice always has been to permit the government to give its reasons when it feels that papers should not be tabled.

Mr. KNOWLES: My point of order is that when the Prime Minister goes beyond stating that he is opposed to the passing of the motion, is he not debating it from his side of the question?

Mr. SPEAKER: I am pretty sure that if the government said that it was opposed to producing papers and would not give any reasons, the hon. member would be the first to object. Is it the pleasure of the house to adopt the motion?

Mr. SMITH (Calgary West): On the point of order, surely if you rule that the Prime Minister is allowed to quote authorities *pro* a certain position, then other people should be allowed to quote authorities *contra* to that same position.

Mr. CHEVRIER: That has never been the practice nor the rule.

Mr. SPEAKER: I believe I am fair in stating that it is the practice to put the question to the house; and when the government has no objection the motion carries, but if the government has any objection I believe it would be the wish of hon. members to have some reason given. That is why the giving of reasons has always been permitted. Is it the pleasure of the house to adopt the motion?

Mr. MACKENZIE KING: Mr. Speaker, I have been in this house a great many years and I cannot recall an occasion when the government objected to the production of papers that it was not expected that the government would give its reasons for objecting. All I am doing is giving the House of Commons the reasons why the government cannot accept the motion of my hon. friend. I might have given this opinion in my own words, but I thought it would carry greater weight with the house, certainly with some hon. gentlemen opposite, if instead of giving my view I gave the view of the recognized authority in Canada on parliamentary practice and the rules of this House of Commons. For that reason I am reading the opinion that I received from that source. If the house would prefer that it be regarded as my own view, I shall give it as my own view. I think, as set forth, it is concisely stated by an authority who cannot be questioned. It reads:

Motion No. 4 calls for correspondence between the British government and the Canadian High Commissioner's office in London, and also between the Canadian government and the British High Commissioner's office in Canada.

It is unusual that the house be asked to order the production of papers exchanged between the United Kingdom government and an officer of the government of Canada; or between the latter and an officer of the United Kingdom government. The house, by adopting such a motion, would ignore the government's authority over its officers. If such action were established as a precedent, the result would be that the House of Commons, disregarding ministers' control over the members of their staff, could at any time resolve that, whether the minister or

even the government approved it or not, letters or memoranda written by senior officers or clerks to the governments of other countries be disclosed to the general public. Section (c) of the motion is in that category inasmuch as it calls for correspondence either through ministers of the crown or public office.

All authors agree that so long as any existing government retains the confidence of parliament, it is unsafe and unwise as a general principle to interfere with them in matters of administration, a proceeding which must tend to destroy the harmony which should exist between the different powers in the state, and to transfer the executive authority from the hands of responsible ministers into those of persons who have not been sworn in to administer the country's affairs.

This opinion is signed, "Arthur Beauchesne, Clerk of the House of Commons." I think it is a true and correct interpretation of the rules and practice of this house, and for that reason I feel that the motion cannot be accepted.

Mr. MacINNIS: Mr. Speaker, on a question of privilege before you put the motion, I do not think anyone would expect the Prime Minister to refuse to agree to this motion without making a statement; I think that is the proper thing to do. But I do not think the Prime Minister should go beyond Beauchesne's rules and orders and obtain a written opinion from the Clerk. That is not in keeping with the dignity of this house and with the position of Clerk.

Mr. CHEVRIER: Where is the question of privilege?

Mr. MacINNIS: That is the question of privilege. We should not have to listen to a statement written by the Clerk. I have a high regard for the Clerk's understanding of the rules, but if the Prime Minister did not agree with his interpretation of the rules he would not accept it. Consequently he should cite the rule as it is in Beauchesne's rules and orders. I am in perfect agreement with the Prime Minister at the moment and if the motion is put to a vote I shall vote against it.

Mr. MACKENZIE KING: Answering my hon. friend on the question of privilege, if the Clerk of the House were not a recognized authority on the practice and rules of the house I would not have asked for an opinion from him. However, I know that many hon. gentlemen opposite take exception to practically everything I say, and I thought it was advisable in a matter of this kind—

Mr. MacINNIS: Not I.

Mr. MACKENZIE KING: I am not referring to my hon. friend; I am referring to hon. gentlemen immediately opposite.

[Mr. Mackenzie King.]

Mr. COLDWELL: May I ask the Prime Minister if we are entitled to go to the Clerk to get an opinion when we want one?

Mr. MACKENZIE KING: I assume that that is what hon. members are doing from time to time; in fact I know they are.

Mr. MacINNIS: We never read them out here.

Mr. DIEFENBAKER: On a point of order, if as the Prime Minister has stated it is wrong for governments to ask the opinions of their senior officials and then submit them to parliament, is he not himself contravening and transgressing the very rule he enunciated a moment ago as being applicable to the House of Commons?

Mr. MACKENZIE KING: May I say to my hon. friend that the Clerk of the House is an officer of the house, not an officer of the government.

Motion negatived on division.

LOMOND, ALTA., IRRIGATION PROJECTS

Mr. HANSELL:

For a copy of all letters, telegrams, correspondence, contracts, tenders, and any other documents in possession of the government during the past ten years with respect to any proposal for any irrigation scheme in the district of Lomond, Alberta.

UNITED KINGDOM

AGREEMENTS WITH RESPECT TO BEEF, BACON, CHEESE AND EGGS—REQUEST FOR TABLING OF COPIES

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): I wish to direct a question to the Minister of Agriculture. It has to do with the question I directed to his attention four weeks ago, to be found at page 1125 of *Hansard* of February 12. The question was: Will the minister table copies of the recent agreement concluded with the United Kingdom with respect to beef, bacon, cheese and eggs? The minister was willing to do so but I am advised that the documents have not yet been tabled. Can the minister have them tabled at once?

Right Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, I shall have them tabled just as soon as they are completely signed and in shape to be tabled. These documents have to pass back and forth between here and the British representatives, and I do not think they are all completely signed. At the moment they are in process of being signed.

UNITED NATIONS

TEMPORARY COMMISSION ON KOREA—ACTION OF CANADIAN DELEGATE

On the orders of the day:

Mr. GORDON GRAYDON (Peel): May I direct a question to the government based upon a news item of today which has assumed considerable prominence in the press. It appears that the Canadian representative on the temporary commission on Korea walked out of the assembly. I should like to have the Secretary of State for External Affairs clarify the situation so that we shall understand what are the underlying reasons which prompted that action by Canada's representative on this commission.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I got the notice from the hon. member for Peel and also a notice from the hon. member for Rosetown-Biggar about their desire to have information in respect to that dispatch, and I am glad to be able to supply to the house this information. The situation in regard to the matter is as follows.

The united nations temporary commission on Korea, of which Canada is one of the nine members, decided in February last to consult the interim committee of the general assembly when it met at Lake Success on February 19 as to whether the commission, under the terms of the general assembly resolution of November 14, 1947, and in the light of developments in the situation with respect to Korea since that date, could or should assist in implementing the program for the holding of free elections and the establishment of a Korean government in that part of Korea which was occupied by the armed forces of the United States of America. That was the submission on which the commission desired to get the views of the interim assembly. The situation which made such consultation necessary was the refusal of the U.S.S.R., whose army occupied the northern part of Korea, to permit the commission to operate in, or indeed to enter, that area.

At the interim committee, the United States delegation introduced a resolution as an answer to the commission's inquiry, the operative part of which was as follows:

> That in its (the interim committee's) view, it is incumbent upon the united nations temporary commission on Korea, under the terms of the general assembly resolution of November 14, 1947, and in the light of the developments in the situation with respect to Korea since that date, to implement the program as outlined in resolution 2 (of the general assembly) in such parts of Korea as are accessible to the commission.

The resolution referred to above is that of the general assembly, which empowered this commission on Korea and instructed it to observe elections in Korea and facilitate the establishment of a national government there.

The Canadian delegate to the interim committee opposed this United States resolution on the ground that the holding of elections in South Korea only could not be brought within the terms of reference of the commission as laid down by the general assembly. It would amount in fact to a partition of Korea. Our representative said in part:

> I hope that nothing I have said will be interpreted as suggesting that my government are not anxious to see a free, united and democratic Korea brought into being at the earliest possible date. My government strongly supports that objective and feels that the policy of the U.S.S.R. in preventing its realization is to be condemned.
>
> We do feel, however, that it would be unwise to seek to associate the UN with an effort to achieve this desirable objective, by asking its commission in Korea to do things that it has not, under its terms of reference, the power to do.
>
> That, Mr. Chairman, is all I have to say at this time on this one subject, namely, the legal powers of the commission under the assembly resolutions setting it up. Our position is that the commission is not authorized under those resolutions to act in or for South Korea alone.

Before the vote on the United States resolution was taken, the Canadian representative said further:

> If the resolution (the United States resolution) is voted upon, my delegation will have to vote against it. We do so on the understanding that it is, in any event, merely advice to the commission.

It was not framed as an order to the commission, but just as the opinion of the interim committee. I continue:

> If the commission should accept that advice, and that is for the commission to determine, a new and serious situation would be created which would have to be taken into consideration by the governments who are members on the commission, and who feel that the advice from this committee is unwise and unconstitutional.

The United States resolution was approved by the interim committee. It appears that, on receipt of this information, the acting chairman of the commission in Seoul (the chairman had not yet returned to Korea from Lake Success) informed the United States commanding general in South Korea, in the name of the commission that it would accept the advice of the interim committee. An announcement regarding the date for elections was then made. Our representative on the commission, Doctor Patterson, was not consulted in regard to this matter. There was no

meeting of the commission before the announcement was made. He was, therefore, instructed to seek clarification at the next meeting of the commission of the action of the acting chairman and to maintain the position taken at Lake Success, namely, that the commission should not accept the advice given to it in the United States resolution or associate itself with the conduct of elections in South Korea only.

Doctor Patterson was further instructed that, if the commission did not support the Canadian view on this matter, he was to state that he could not participate further in its activities until he had received further instructions from his government.

According to a press dispatch from Seoul, Doctor Patterson withdrew from the meeting of the commission yesterday. I have not yet received from Doctor Patterson a report of that meeting, but I expect one at any moment. We have asked him to dispatch it as quickly as possible. I am not suggesting that there has been any undue delay, because these messages come in cipher and he has to do the work himself. He has no staff there to assist him in doing it. If Doctor Patterson confirms that the commission has, in fact, in this manner decided to associate itself with elections in South Korea only, he will be instructed by cable to return at once to Ottawa for consultation, so that the government will have the benefit of his first-hand information in deciding what its attitude should be in the light of the changed situation.

Mr. COLDWELL: May I ask a supplementary question? Another point I had in mind to ask the minister was whether instructions had been given to Doctor Patterson to walk out and not attend the next meeting. If so, it is to be noted that the Minister of Justice a short while ago criticized those of us who suggested we might walk out of parliamentary committee; he said that it would be following the Russian example.

Mr. ST. LAURENT: There were no instructions given to walk out and to refuse to attend any other meeting; in fact the general tenor of the instructions would, I think, be interpreted as contrary advice. The advice was to say that he could not further participate until he had obtained further instructions from the government on the changed situation.

Mr. GRAYDON: May I ask the minister a supplementary question? There were nine nations on the commission. Were we alone in taking this action, or were other nations acting in a similar way?

Mr. ST. LAURENT: I do not know whether all the others were consulted by the vice-chairman before he made this announcement. Our representative was certainly not consulted. At the interim assembly our view was supported by the representative of Australia.

Mr. GRAYDON: He apparently did not walk out.

Mr. ST. LAURENT: Well, I do not know that anyone has walked out. I have asked for a report from Doctor Patterson and I will give the substance of that report as soon as it is received.

POLICY OF CANADIAN GOVERNMENT RESPECTING PARTITION OF PALESTINE

On the orders of the day:

Mr. ALISTAIR STEWART (Winnipeg North): I wish to direct a question to the Secretary of State for External Affairs. What is the present policy of the Canadian government with relation to the partition of Palestine as recommended by the general assembly of the united nations on November 29 last?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): The present policy of Canada was announced by the Canadian permanent delegate to the united nations in his statement to the security council on March 3. He indicated that Canada regards it as a paramount necessity that the security council should make every effort toward conciliation under chapter VI of the charter before considering enforcement measures under chapter VII. I quote his words:

> Even at this late hour conciliation in our view must be tried, for surely the realization must be growing upon both communities in Palestine that the present course of violence and inflexible resistance against one another can only bring chaos and mutual destruction.

If conciliation efforts should fail it would then be for the security council to consider what action should be taken in regard to the recommendations of the general assembly of the united nations relating to the partition of Palestine. The Canadian permanent delegate stated in conclusion that the position taken by Canada was not to be interpreted as in any way repudiating or abandoning the recommendations of the general assembly. He intimated that this was a matter on which the council should not take a decision until the five permanent members had reported on the results of their conciliation efforts, in which vitally important work they should enjoy the greatest possible freedom without being restricted by any prior decision.

Mr. COLDWELL: May I ask a supplementary question? It is nine weeks until May 15, when the British mandate expires. Has any progress been made with regard to a solution?

Mr. ST. LAURENT: I received a dispatch within the last couple of hours in which there is information that at the meeting of the permanent members not much progress had been made, but that though the meeting had been adjourned until tomorrow there were still consultations going on and that it was hoped some progress would be made, because the matter is on the agenda of the security council itself for an early day next week.

FOREIGN EXCHANGE CONTROL

SEIZURE OF FUNDS AT BORDER

On the orders of the day:

Mr. T. A. KIDD (Kingston City): I wish to direct a question to the Minister of Finance. It has to do with a question which I submitted on January 30 last and which will be found passed as an order for return, as appears on page 1102 of *Hansard*. It relates to foreign exchange control, the seizure of funds at the border. Will the minister make a note of the question I am now asking with a view to having the answer given?

Hon. DOUGLAS ABBOTT (Minister of Finance): I will make a note of the question and see if I can give the answer.

BUSINESS OF THE HOUSE

EMERGENCY GOLD MINING ASSISTANCE BILL—IMPORT REGULATIONS: KEROSENE REFRIGERATORS

On the orders of the day:

Mr. H. W. HERRIDGE (Kootenay West): I wish to direct two questions to the Minister of Finance. First, is it the intention of the government to proceed with Bill No. 7, an act respecting emergency payments to assist in meeting increased cost of production of gold? If so, when? Secondly, has a decision been reached with respect to amending the import regulations to permit the importation of kerosene refrigerators?

Hon. DOUGLAS ABBOTT (Minister of Finance): It is the intention to proceed with Bill No. 7, respecting emergency payments in connection with gold, as soon as we can reach it, and that will be as soon as we conclude discussion of the excise tax measure. As to the second question, no decision has been reached with respect to amending the import regulations to permit the importation of kerosene refrigerators, but the matter is still under active consideration.

PRECEDENCE FOR GOVERNMENT NOTICES OF MOTION AND GOVERNMENT ORDERS

Mr. STANLEY KNOWLES (Winnipeg North Centre): I wish to direct a question to the Prime Minister with reference to the business of the house. Thus far this session we have been operating, first, under the terms of a motion passed on December 8 and more recently under the terms of a motion passed on January 26. The Prime Minister knows that both those motions set aside standing order 15 and revolved around the address in reply to the speech from the throne. Now that that debate is over, the question is, do we revert to the provisions of standing order 15, or is the Prime Minister going to bring in some other motion so that the business of the house will be quite definite? If I might add a further word, it seems to me that we should get to the position where each day's order paper indicates the order of business for that day. That has not been the case for some time.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I happen to have with me the two motions to which my hon. friend has referred. The first one I have, passed on January 26, 1948, reads:

> That the order for consideration of the motion for an address to His Excellency the Governor General in reply to his speech at the opening of the session be considered on Wednesdays and Thursdays until disposed of, and notwithstanding the resolution passed by the house on December 8, 1947.

As soon as the debate was disposed of, that particular resolution lapsed; it ceased to exist and to have any effect. The motion passed on December 8 reads:

> That the debate on the address in reply to the speech of His Excellency the Governor General to both houses of parliament be the first order of business on Monday, December 8th instant, and that this order be followed by government notices of motion and government orders notwithstanding anything in standing order 15.

That motion continues to be applicable; it applies at the present time. I am very glad my hon. friend has raised the question of the business of the house, for the reason that it enables me to make clear that the impression that I am determining the order of the business of the house is not wholly correct. The house controls its own business. What I did at the beginning of the session, in answer to hon. gentlemen opposite, was to indicate

the order which I thought would facilitate the business of the house, and in so doing I indicated that we would take up first of all the emergency measures and then the speech from the throne. Later on it was arranged, a matter of general agreement here, that a part of the week would be devoted to the speech from the throne and a part of the week to the emergency measures. That was agreed to, and all I have sought to do, from that time to this, has been to hold the house to its own agreement in the matter of procedure.

I have not been trying to impose my will upon the house as to what business it should take up and what it should not. I have tried, where requests have been made with regard, for example, to veterans affairs and one or two measures of the kind, to further what I believed was in accordance with the general wish of the house. That is all I have been trying to do up to the present and will continue to try to do—to have the house take the order of business that will best facilitate the business of the house, and which will be agreed to by the house itself.

We are now through with the debate on the address, but not with the emergency measures. I think we ought to get through with these measures as soon as we can. When they are concluded we shall then be in a position, I think, to follow a regular order which will be in accordance with such procedure as will enable us to take up other measures than the ones I have referred to, and particularly to get into supply.

Some hon. members have expressed a desire to debate foreign affairs. I am not trying to stand in the way of the house having that debate, but I have to do one of two things. Either I must inform the house that we have decided to conclude certain business before taking up other business, or I must ignore that understanding and take up each question as hon. members opposite wish to have it taken up. This is difficult as they do not agree among themselves. The estimates have been tabled, and I would say to my hon. friends opposite that the government proposes, as soon as we get into supply, having regard to this prior obligation—that is to say, the emergency measures—to arrange for a debate on external affairs, to have this made the first subject of discussion in the house under estimates.

I might mention that there are one or two measures which I understand most hon. members wish to deal with immediately, notwithstanding the existing understanding on procedure. One is to get the bill respecting veterans pensions to the committee on veterans affairs. If it were understood that this might not take more than half a day, and if hon. members are agreeable to that—of course, no one can say how long it would take, but assuming that we had reasonable grounds for believing that half a day would suffice—I would suggest at once that tomorrow a half day be devoted to getting that measure to the committee which has been set up on veterans affairs.

There is another urgent measure; it relates to further payments on wheat. Its early consideration was requested some little time ago. I said that I would try to arrange to have it brought forward at a convenient moment. Unless there is something more pressing, that might be brought up during the evening. We might then continue with the emergency measures on the following day.

Mr. KNOWLES: May I ask a supplementary question? Does the Prime Minister recall that during both the previous debates on these motions he gave the assurance that it was not his intention that they continue in effect for the whole of the session?

Mr. MACKENZIE KING: That is right.

Mr. KNOWLES: He indicated that the time would come when he would propose another motion to re-arrange the business in the light of the circumstances that would then develop. I am not trying to dictate to the Prime Minister the order of business he should propose to the house, but I am suggesting, now that the debate on the address is over, that in all fairness to the house the government should present another motion superseding the motion of December 8 and regularize the proceedings. Day after day Mr. Speaker must re-arrange things on the order paper in accordance with an understanding. Would it not be better to have the procedure regularized by a proper motion of the house?

Mr. MACKENZIE KING: No one would be better pleased than myself to have everything made as well known in advance as possible. But I would point out to my hon. friend that what the house has already agreed to under this motion is that we would conclude the emergency measures before we would begin to take up others. There were two things, the debate on the address and the emergency measures. As soon as these are concluded, I will bring in a motion to meet what my hon. friend has in mind about proceeding in accord with rule 15.

Mr. KNOWLES: Standing order 15.

Mr. MACKENZIE KING: Yes, I mean standing order 15. That is what I have intended all along.

Mr. KNOWLES: What are the emergency measures?

Mr. COLDWELL: Mr. Speaker—

Mr. MACKENZIE KING: I cannot answer both at once. My hon. friend asks what the emergency measures are. They are the one that the Minister of Finance was dealing with yesterday, and the transitional measures act, and the gold bill. I think those are the only ones.

Mr. GREEN: The agricultural products act.

Mr. MACKENZIE KING: Yes.

Mr. COLDWELL: May I direct a question to the Prime Minister? I have before me page 71 of *Hansard* of December 9, 1947. I interrupted the Prime Minister when he was indicating what the motion meant which the house had then passed. I asked if this would govern until the end of the session. While I must not read directly from that previous debate, the right hon. gentleman in effect said, no. The government can always, he said, with the approval of the house, rescind a motion or substitute another. The motion as it stood, and as it was subsequently passed, was intended to apply to the end of the year, that is to say, up to the Christmas season, or if we did not get through by that time, up to the end of the year. That is the point we are making. The understanding we had at the time was that the motion as it was passed—I think unfortunately—by the house was to govern until the end of 1947.

Mr. MACKENZIE KING: I think my hon. friend is quite right. I had hoped we would get through the emergency measures before the year was out, but we did not get very far along with them. What I have stated about clearing up those two subjects is something I brought to the attention of hon. members and got agreement on. I shall be only too happy to see these emergency measures cleared up as rapidly as possible, and then get into the regular proceedings of the session.

Mr. KNOWLES: Bring in a new motion on the 1st of April.

IMMIGRATION

INQUIRY AS TO POLICY WITH RESPECT TO COMMUNISTS

On the orders of the day:

Mr. A. L. SMITH (Calgary West): Yesterday I asked a question of the Secretary of State for External Affairs, in the absence of the Minister of Mines and Resources, as to what the government policy was with respect to the admission to this country of known communists. He said he would consult the minister and let me have an answer today Apparently the minister has not returned. I am asking the question now merely in order that it may not be overlooked. It is a routine matter, and if we could hear about it tomorrow it would be satisfactory.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I immediately communicated with the private secretary of the Minister of Mines and Resources and had him make a note of it and to call it to the attention of his minister as soon as he returned from official duties which have taken him out of town.

POSTAL SERVICE

INQUIRY RESPECTING FORWARDING OF FIRST CLASS MAIL BY AIR

On the orders of the day:

Mr. DONALD M. FLEMING (Eglinton): I should like to direct a question to the Postmaster General. Are the postal authorities forwarding first-class mail that is not marked or stamped "air mail", by Trans-Canada Air Lines between Toronto and Montreal and elsewhere?

Hon. ERNEST BERTRAND (Postmaster General): It so happens, Mr. Speaker, that at certain times we had such a load of mail that we were not able to carry all of it between Toronto and Montreal by rail, and in order to give the good service that we generally give, we loaded a few planes with mail at four cents a letter and delivered it in Toronto or Montreal. But this delivery of mail at some time like this is not guaranteed as an ordinary mail carrier service.

TARIFFS AND TRADE

UNITED NATIONS CONFERENCE AT GENEVA, 1947—APPROVAL OF GENERAL AGREEMENT

The house resumed from Wednesday, December 10, consideration of the motion of Mr. Mackenzie King:

That it is expedient that parliament do approve the general agreement on tariffs and trade, including the protocol of provisional application thereof, annexed to the final act of the second session of the preparatory committee of the united nations conference on trade and employment held at Geneva from April 10 to October 30, 1947, together with the complementary agreements of October 30, 1947, between Canada and the United States of America and between Canada and the United Kingdom; and that this house do approve of the same, subject to the legislation required in

order to give effect to the provisions thereof.

And the amendment thereto of Mr. Green.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Hon. members will recall, Mr. Speaker, that on Monday I drew attention to the desirability of dividing in two the resolution that now stands on the order paper as item No. 3, and of substituting therefor two resolutions. It was agreed by all the leaders that that was desirable, and that the method I suggested of effecting this would be approved. I cannot amend my own motion. Accordingly I would ask the Minister of Transport (Mr. Chevrier) if he would move the amendment to this motion which would permit what I have requested to be done.

Hon. LIONEL CHEVRIER (Minister of Transport): I desire to move that the amendment made by Mr. Green be amended as follows:

(a) by deleting the words "referred to the committee of the whole house with instructions to divide" and substituting therefor the words "divided as to"; and

(b) by adding at the end of the said amendment the following: "the said resolutions to be expressed as follows:

1. That it is expedient that parliament do approve the general agreement on tariffs and trade, including the protocol of provisional application thereof, annexed to the final act of the second session of the preparatory committee of the united nations conference on trade and employment held at Geneva from April 10 to October 30, 1947, together with the complementary agreement of October 30, 1947, between Canada and the United States of America; that the house do approve the same, subject to the legislation required in order to give effect to the provisions thereof.

2. That it is expedient that parliament do approve the complementary agreement of October 30, 1947, between Canada and the United Kingdom relating to the general agreement on tariffs and trade; and that the house do approve the same, subject to the legislation required in order to give effect to the provisions thereof.

Mr. JOHN BRACKEN (Leader of the Opposition): As I understand it, we are now dealing with two matters, the Geneva trade agreements and the exchange of letters between this government and the government of the United Kingdom with respect to the British preferences. The Prime Minister's motion on December 9 asked the house to approve both. When the hon. member for Vancouver South (Mr. Green) came to speak he moved an amendment. He said these were two different matters, and suggested that they should go to a committee to be divided and brought back to the house as two separate resolutions. As I understand it the motion of the Minister of Transport (Mr. Chevrier) accomplishes the same end without having the matter sent to a committee. So the effect of the amendment to the amendment, if carried, will be that the resolution asking for the approval of the Geneva trade agreements will come here by itself, and a second resolution will come before us asking for approval of the exchange of letters regarding the British-Canadian preferences. Such a division is what was desired by the hon. member for Vancouver South, and that is what will be accomplished. We understand that these two resolutions will come back to us, and when they do we shall be in a position to support, oppose or amend each in turn. That is my interpretation of the motion now before us.

[Mr. Bertrand (Laurier).]

Mr. MACKENZIE KING: That is correct.

Mr. BRACKEN: With that understanding we offer no objection. We approve this step in the procedure.

Mr. COLDWELL: My understanding further is that the subject matter of the Geneva agreements will be referred to the banking and commerce committee before the house is asked to adopt the resolution. With that understanding I think this is a good way to deal with the problem.

Mr. MACKENZIE KING: That is correct.

Amendment to amendment agreed to.

Amendment as amended agreed to.

Mr. DEPUTY SPEAKER: In order to keep the procedure regular I believe it will be necessary for some hon. member to adjourn the debate on the amendment.

Mr. ST. LAURENT: I move that the debate on the resolution as amended be adjourned.

Motion agreed to and debate adjourned.

WAYS AND MEANS

EXCISE TAX ACT AMENDMENT

The house again in committee of ways and means, Mr. Macdonald (Brantford City) in the chair.

That it is expedient to introduce a measure to amend the Excise Tax Act and to provide:

1. That on and after November 18, 1947, there shall be imposed, levied and collected an excise tax of twenty-five per cent (25%) on the following goods imported into or manufactured or produced in Canada: (a) the following electrical appliances, grills, waffle irons; hot plates, roasters; kettles; chafing dishes; food or drink mixers; juice extractors; coffee makers; toasters of all kinds; portable humidifiers; curling irons or tongs; hair dryers; permanent waving machines and spacers or clamps; rods and heaters therefor; razors and shavers; food choppers and grinders; irons and ironers; vacuum cleaners and attachments thereof; garbage disposal

units; floor waxers and polishers; (b) electric or gas refrigerators or freezing equipment, and coils, condensing or compressor units, cabinets, boxes, evaporators and expansion valves therefor; air conditioning, cooling or filtering equipment, and complete parts thereof; oil burners and oil burning equipment; all the foregoing when adapted to household or apartment use or when for use in places of entertainment, amusement or recreation, including rinks, auditoria, halls and clubs; (c) articles and equipment designed for use in golf, tennis, badminton, squash, racquets, polo, billiards, pool, bowling and curling; fishing rods and reels; (d) firearms except for military or police purposes; (e) engines or motors for use in boats or vessels, except when the boats or vessels are to be used exclusively in commercial or industrial enterprises; (f) outboard motors; (g) motorcycles, and all other two- or three-wheeled motor-driven vehicles including motors for attachment to bicycles but not including vehicles designed for use by invalids; (h) musical instruments of all kinds, not including organs for churches; (i) projectors for slides, films or pictures designed for industrial or professional photographers' use; and (j) toilet articles of all kinds, including combs, mirrors and brushes except tooth brushes, not coming within any other item in schedule one of the said act.

2. That on and after November 18, 1947, the rate of excise tax on automobiles adapted or adaptable for passenger use with seating capacity for not more than ten persons each, imported into or manufactured or produced in Canada be increased from ten per cent to the following rates, namely, on automobiles valued at $1,200 or less, 25 per cent over $1,200 but not more than $2,000, 25 per cent on $1,200 plus 50 per cent on the amount in excess of $1,200; over $2,000, 25 per cent on $1,200 plus 50 per cent on $800 plus 75 per cent on the amount in excess of $2,000.

3. That on and after November 18, 1947, the rate of excise tax on phonographs, record-playing devices, radio broadcast receiving sets and tubes therefor, be increased from ten per cent to twenty-five per cent.

4. That on and after November 18, 1947, the rate of excise tax on cameras, photographic films and plates, projectors for slides, films or pictures, except those designed exclusively for industrial or professional photographers' use, be increased from ten per cent to twenty-five per cent.

5. That on and after November 18, 1947, electricity and gas used in dwellings be exempt from consumption or sales tax; and

6. That on and after November 18, 1947, the excise tax of one per cent per pound on sugar, grape sugar, glucose, sugar syrup, corn syrup, etc., be repealed.

The CHAIRMAN: I should like to make a brief statement. Last evening when the house was in committee I stated that a question of privilege could not be raised in committee. Probably that statement was too general. I should have said a question of privilege could not be decided in committee but would have to be decided in the house. I hope I did not mislead any hon. members.

Mr. CLEAVER: Mr. Chairman, when the committee adjourned last evening I was in the process of citing certain extracts from the speech of the leader of the opposition which indicated clearly, to me, in any event, that at no time up to the present had he made any attack on the constitutionality of what has occurred in regard to the Excise Tax Act. Overnight I had an opportunity to read the hon. gentleman's speech again, and I suggest that a careful re-reading of that speech confirms the impression I had already gained. I suggest to the leader of the opposition that a re-reading on his part of his own speech would even make him agree to the suggestion I have made. I now intend to read to the committee his exact words in regard to the constitution. I want to say at once that the first sentence of his remarks is undoubtedly wide enough to include almost anything. When one reads a statement so loosely worded in a pro forma charge of that kind one necessarily has to refer to the context to find what the speaker really had in mind. I now propose to read what he said and then read the context. My contention is that the attack in regard to the question of constitutionality was made purely with respect to the restriction on imports, purely with respect to Bill No. 3; that it had nothing whatever to do with the amendment to the Excise Tax Act; that this act was not mentioned at any point in the portion of his speech in which reference is made to the "murdering of the constitution", as he called it. I now read the general remarks he made, which appear at page 5 of *Hansard*.

Mr. BRACKEN: I rise to a point of order. The hon. member is referring to a discussion in a previous debate. My point of order is this. Is the hon. member in order in doing so? He did it last evening and was allowed to get away with it; now I am asking you, Mr. Chairman, if he is in order in doing so.

Mr. ROSS (Souris): It depends on which side of the house you are on.

Mr. CLEAVER: Might I speak to the point of order?

The CHAIRMAN: Order. If I heard the hon. member for Souris aright his remark would be a reflection upon the Chair, and I will have to ask him to withdraw.

Mr. ROSS (Souris): I certainly withdraw. I had no intention of reflecting on the Chair at this time at all.

The CHAIRMAN: I am sorry if I misunderstood the hon. member.

Mr. CLEAVER: I am quite familiar with the rule which says a member may not refer to matters which took place in a debate already concluded; but I suggest I am not

doing that. I am referring to a general statement, not made in debate, but a statement which was made on December 5, the opening day of the session. Therefore it does not come within the rules, and I am perfectly at liberty to refer to it.

The CHAIRMAN: The rule is that an hon. member may not refer to a debate on the same subject during the same session. I am sure this matter was not before the house in December. I have not a copy of *Hansard* before me, but if my memory serves me correctly this matter was not before the house at that time. The rule says it cannot be on the same subject. I think the debate in December was not on this subject, and I must rule it out of order.

Mr. BRACKEN: Thank you, Mr. Chairman.

Mr. CLEAVER: My criticism of the speeches made last night on the matter we are now debating was directed to the fact that the constitutional question had been permitted to ride along for nearly four months, before being brought up at all. I was referring to a speech which the leader of the opposition had made, not in debate. However, if I understand the ruling of the Chair correctly, I shall not pursue that matter further.

Mr. BRACKEN: I rise to another point of order. The hon. member for Halton says that this was not in a debate. If he will refer to *Hansard* of December 5, page 4, he will see it was in a debate in respect of a motion made by the Prime Minister with respect to procedure.

Mr. ROSS (Souris): Which was voted on and disposed of.

The CHAIRMAN: I see no reason for changing my ruling. As the hon. member knows the ruling of the Chair is not debatable.

Mr. CLEAVER: I understand the ruling, and I shall be pleased to comply with it.

Then, as to the suddenness with which this argument on the constitutional question has been brought before us, four months after the event, I have nothing further to add to what I have already said.

Mr. SMITH (Calgary West): Will the hon. member permit a question? He refused last night because he had only ten minutes; but he would have time now. I suggest to him that I raised this identical question with the Minister of Finance—and if the hon. member cares to consult with the minister, I am sure he will agree—and that was long before Christmas. Do you admit I am right, or do you not?

[Mr. Cleaver.]

Mr. CLEAVER: If my hon. friend will give me the reference number in *Hansard* I shall be pleased to turn it up and read it now—

Mr. SMITH (Calgary West): I do not wish you to read it into *Hansard* now.

Mr. CLEAVER: —even though the Chair has ruled that I must not go on with it.

Mr. SMITH (Calgary West): You said last night that no one had raised it. I said I had. Am I right or wrong?

Mr. CLEAVER: My answer is that I should like to have the reference.

The CHAIRMAN: Order; the hon. member for Halton has the floor.

Mr. SMITH (Calgary West): Ask the Minister of Finance; he will tell you.

Mr. ROSS (Souris): And it is not four months ago, either.

Mr. CLEAVER: If the hon. member wishes to be fair, and finds the reference, he can give it to me. The only two speeches I recall the hon. member making were in respect of the wheat board—an interesting speech which I enjoyed—and one in which he discussed the procedure parliament should follow in regard to debates. I have no recollection of anything else. However, if there is anything else, and if my hon. friend will give me the reference, I shall gladly now put it on the record.

Mr. SMITH (Calgary West): The Minister of Finance will tell you; he was here.

Mr. FLEMING: The hon. member wants the reference?

The CHAIRMAN: The hon. member for Halton has the floor.

Mr. FLEMING: I thought he was asking for the reference. I am quite prepared to give it, if he wishes to have it.

An hon. MEMBER: He is not asking you.

Mr. FLEMING: The hon. member for Calgary West spoke on the question on December 16 in the house.

Mr. CLEAVER: Page?

Mr. FLEMING: His remarks are found at page 358 of *Hansard*. He dealt with this particular question, and the Minister of Finance—

Mr. CLEAVER: I am not consenting to have the hon. member make a statement. I would be pleased, however, to have the reference, and I would call the attention of the house and the Chair to the fact that that speech was made in the debate on the foreign

exchange conservation bill. That measure having already been passed, I cannot now discuss it. If the hon. member will refer to the actual line I shall be glad to read it.

The CHAIRMAN: Order. I have ruled that a reference to a debate on another subject during this session is out of order. I thought it was only fair to allow the hon. member for Calgary West to ask his question. The hon. member for Halton has given his answer. That answer might not be satisfactory to the hon. member for Calgary West; but it is an answer. I think we should now proceed in accordance with the rules.

Mr. FLEMING: May I observe—

Mr. SMITH (Calgary West): The reference is at page 359, second column.

Mr. FLEMING: And as plain as can be.

Mr. ABBOTT: How many people are making speeches?

Mr. GRANT: How many leaders?

Mr. CLEAVER: I do not wish to offend against the rules of the house. Am I permitted now to read into the record the statement to which the hon. member for Calgary West has called my attention?

The CHAIRMAN: So far as the Chair is concerned, the hon. member can do so only with the unanimous consent of the committee.

Some hon. MEMBERS: No.

Mr. KNOWLES: Let us get on with the resolution before the committee.

Mr. ABBOTT: Hear, hear.

Mr. CLEAVER: I am sorry I am not permitted to do so. I wish to assure the hon. member for Calgary West that I was not intentionally misrepresenting his stand. I hope hon. members will read page 359 of *Hansard*.

Coming now to the question under debate, I have already referred to what occurred on December 5. I have checked through *Hansard*, and I find from that day forward, until December 19, not one reference was made to the Excise Tax Act. When the matter was brought up on that day, and with the constitution at stake, one would have expected that at least a dozen members of the opposition would have been on their feet seeking to salvage it.

Mr. ROSS (Souris): Before the matter was introduced in the house.

Mr. CLEAVER: What happened on December 19, as it is reported at page 535 of *Hansard*? We find the leader of the opposition was not ready. This is what he said:

> Mr. Bracken: Mr. Speaker, we shall have no objection to the Minister of Finance giving us all the information he can tonight, but we would be opposed to attempting to make any progress in discussion.

Surely if the constitution had been murdered, as has been suggested by the leader of the opposition; surely if a serious infringement of our constitutional rights had occurred, the matter would not have been passed off in that way.

May I now come to the actual question which has been raised? The hon. member for Lake Centre told the committee that he had conducted an extensive search in the library, as a result of which he regaled the committee with mediaeval decisions to substantiate a point of law which is not disputed by any member in the committee, that point of law being that only parliament can impose taxes. Apparently the best he was able to do was to refer to some very early cases. He was followed by the hon. member for Kindersley (Mr. Jaenicke), who had also been to the library but who had better luck. He brought to the House of Commons a recent report appearing in 1913 Chancery, volume I, at page 57. That case also substantiated the rule of law which no member of this house disputes or ever has disputed so far as I know. I am reading from the headnote of Bowles versus the Bank of England, which states in part that a resolution by the House of Commons before the tax has been actually imposed by an act of parliament is not sufficient.

That is all the decision says. It is good law; it is law that no one has ever questioned. A tax is not imposed until parliament imposes it. I ask hon. members just to keep that in mind when I read to them statements by the hon. member for Lake Centre (Mr. Diefenbaker) and the hon. member for Eglinton (Mr. Fleming) to the effect that this tax in question is already imposed. The court in chancery does not agree with my hon. friends on the other side of the house. I suggest to the hon. member for Kindersley, who produced this reference, that the reference goes no farther than the headnote which I have read, which is simply that parliament and parliament alone has the right to impose taxes.

Mr. DIEFENBAKER: I rise now to a question of privilege merely for the purpose of pointing out that the hon. member in his search did not read *Hansard*. If he read the authorities with the same care that he read *Hansard* the committee can judge as to the weight to be placed on what he said.

Some hon. MEMBERS: Order.

The CHAIRMAN: Order. The hon. member is not raising a question of privilege. He merely wishes to make a correction in what the hon. member for Halton (Mr. Cleaver) has said, and he will have an opportunity for doing that later on in the debate. I would refer hon. members to Beauchesne, third edition, citation 193, which reads:

> Members often raise so-called "questions of privilege" on matters which should be dealt with as personal explanations or corrections, either in the debates or the proceedings of the house.

I would remind hon. members who wish to correct something that has been said that they should do so, not as a question of privilege but later on when they have an opportunity.

Mr. DIEFENBAKER: I raised the question in the fall session.

Mr. FLEMING: I did also.

Mr. CLEAVER: In case hon. members would like to check these authorities, I am pleased to inform them that there is no need to plough through dozens of volumes of old references and cases in order to find the law. If hon. members will refer to Halsbury's Laws of England, second edition, volume 6, page 452, they will find there a clear exposition of the law. They will find, too, notes on the mediaeval cases cited by the hon. member for Lake Centre as well as on the recent Bowles case cited by the hon. member for Kindersley.

Mr. FLEMING: Read it.

Mr. CLEAVER: Since we are in complete agreement on the law and I do not think anyone will question that, let us now look at the facts. What actually did happen? What did the minister do? Did he attempt to take from parliament the right to impose taxation? Surely the best answer to all these questions is to read what the minister did say. I suggest to the committee that they should refrain from childish repetition of statements which are not factually correct, but should be content to read from the minister's own statement. This is what he said on November 17:

> The government will ask parliament to place an excise tax of 25 per cent on a wide range of these durable consumer goods, the purchase of which can normally be postponed.

Did the minister say he was going to impose taxation? Did he say the government was going to impose taxation? No. He said he was going to ask parliament to place an excise tax.

Mr. FLEMING: What did he do in the meantime?

[Mr. Diefenbaker.]

Mr. CLEAVER: I shall come to that. I suggest to my hon. friends that they are only deluding themselves by repeating childish misstatements of fact and by keeping on saying to this committee that either the government or the minister imposed a tax. Nothing of the kind was done. The minister simply gave notice to the public of Canada that he would ask the government to impose a tax and he also gave notice that he would ask that that tax should be retroactive.

I think we are coming now to the point where we reach our real place of disagreement. What is constitutionally wrong in a minister of the crown telling the citizens of the country what he plans to ask parliament to do? I challenge any member of the opposition to tell me. The hon. member for Lake Centre can browse in the library from now to the end of the session, but I say he will not find any authority which states that it is constitutionally incorrect for a minister of the crown to advise the people of the country what he intends to recommend to parliament.

Mr. MacNICOL: The tax is being collected now.

Mr. ROWE: He has already taken the money.

Mr. CLEAVER: I am coming to that.

The CHAIRMAN: The hon. member for Halton is presenting a legal argument in support of his contention and I think hon. members should allow him to do so without interruption.

Mr. CLEAVER: My hon. friends take exception to the fact that in making his announcement the minister also announced that he would ask parliament to make the effect of this measure retroactive. No member of the opposition contends that parliament has not the right to pass retroactive taxation measures. It is done every year in connection with the budget.

Mr. KNOWLES: Is that constitutional?

Mr. CLEAVER: I suggest that anyone who says there is anything constitutionally wrong with what has been done is driven to the point where he must argue that parliament has no right to pass a measure imposing taxation retroactively. There is no such authority; it is done every year. I come now to the remaining point raised by the opposition. It has been contended that what has been done is an insult to parliament.

Some hon. MEMBERS: Hear, hear.

Mr. FLEMING: Now you are bringing on the facts.

Mr. CLEAVER: I hope my hon. friend pounds his desk in the same way in about five minutes when I have concluded. He says that the action of the minister was an affront to parliament.

Mr. FLEMING: Hear, hear.

Mr. CLEAVER: My contention is that if an emergency really existed, instead of being an affront to parliament it would have been dereliction of duty on the part of the minister if he had not met the emergency.

An hon. MEMBER: By calling parliament.

Mr. CLEAVER: I concede at once that if there was no emergency, then a minister of the crown could be criticized for making a declaration as to fiscal policy in any place other than on the floor of the house.

Mr. FLEMING: Why?

Mr. CLEAVER: If the house was not then sitting. Was there an emergency or not? Let us discuss that. I have not yet heard one member of the opposition argue that there was not an emergency. I have heard them make many arguments as to who was responsible for the emergency, but I have not yet heard one member of the opposition aver that there was not an emergency. Our reserves of United States dollars dropped from $1,500 million to a little more than $500 million.

Mr. MACDONNELL (Muskoka-Ontario): In a year.

Mr. CLEAVER: I suggest that there was an emergency. From the point of view of the constitutional issue—

Mr. HACKETT: Will the hon. member permit a question?

Mr. CLEAVER: Yes.

Mr. HACKETT: Does the hon. gentleman consider the fact that Canada's fund of United States dollars dropped from one and a half billion to half a billion constituted an emergency which warranted the suspension of the constitution?

Mr. CLEAVER: I will answer that question. My answer to that is this. When the United States dollar reserves position dropped from $1,500 million to a little over $500 million it certainly was an emergency which justified whatever measures were necessary to correct it.

Some hon. MEMBERS: No.

Mr. KNOWLES: That is where you are wrong.

Mr. ABBOTT: No unconstitutional measures were taken.

Mr. CLEAVER: I am not arguing it would justify anything unconstitutional. So far as I am concerned I cherish the constitution and my answer to that point would be no.

May I continue with the argument I am making? My point is this, that just as soon as my hon. friends admit that there was an emergency, then I say at the same time they are driven to admit that the minister was justified in making his announcement and meeting the emergency.

Some hon. MEMBERS: No.

Mr. FLEMING: What is the reference on that?

Mr. MACDONNELL (Muskoka-Ontario): Will the hon. member permit a question? He has been most kind in answering questions. I ask my hon. friend whether he will accept this dictionary definition of "an emergency," "A sudden juncture demanding immediate action." Can something that happens over a year be said to be a sudden juncture?

Mr. CLEAVER: I have thought over that point, and I intended to present to the house as clearly as I could a reasoned argument on that point. I will reach it in a moment or two, and after I have concluded it I think perhaps the hon. member for Muskoka-Ontario may agree that there is something in my argument in that regard.

Mr. ROWE: You must have a new dictionary over there.

Mr. CLEAVER: As to the question then of its being an affront to parliament, I repeat that the government and the minister would have been derelict in their duty if they had not taken the necessary steps immediately to meet the emergency; and I suggest, in any event, that the reason why the emergency arose does not strike at the essence of the issue. The issue is just one plain thing, was there an emergency? And if there was an emergency, then the minister was perfectly justified in making the statement he did.

Mr. FLEMING: What is the authority for that?

Mr. ABBOTT: Take your turn.

The CHAIRMAN: Order.

Mr. CLEAVER: Coming to the question of delay—

Mr. FLEMING: Will the hon. member permit a question?

Mr. CLEAVER: I believe that is the point which the hon. member for Muskoka-Ontario raised, the delay which occurred in steps being taken to meet this problem. As I

understand it, the government believed that nothing should be done which would imperil the consummation of the trade agreements at Geneva. Just as soon as those agreements were consummated, the public announcement was made by the Prime Minister, and by the Minister of Finance, and parliament was convened. As to whether waiting for the consummation of the trade agreements was a good and sufficient reason, I do not expect all members of the opposition to agree with my viewpoint. To me it was a sound reason. I feel very strongly that nothing should have been done to imperil these agreements. However, there are some folk, and they are entitled to their opinions, who do not value international trade as this government values it.

Mr. ROWE: You prohibit it.

An hon. MEMBER: There is one for the book.

Mr. CLEAVER: Those folk are entitled to their opinion but we do not have to agree with them. Knowing the long-term traditional background of the Conservative party, I am not surprised that members of that party in this house would pooh-pooh the idea of—

Mr. ROWE: Prohibition.

Mr. CLEAVER: —waiting until these agreements were consummated, and would say, well, you were not running any risk, you were not losing anything of value anyway. I am not surprised that members of that party would feel that way—

Mr. ROSS (Souris): Who ever said that?

Mr. CLEAVER: —and ridicule the idea that the government should have waited until the trade agreements were consummated, because I have not forgotten that, while the Progressive Conservative party has announced a new trade policy, in the last twenty years the only leader of that party who headed it long enough to have any appreciable effect on the policy of the party was the leader who was going to blast his way into the markets of the world, the leader who bitterly opposed the reciprocity agreement with the United States, the leader who was not interested in reciprocal trade on friendly terms, and all that sort of thing. Therefore I say, notwithstanding the announcement of the new trade policy of the Progressive Conservative party, in view of what has happened in the last few weeks—

Mr. FULTON: They did not put embargoes on exports and imports.

Mr. CLEAVER: I would suggest to my hon. friends, if they want the general public to take their new trade policy at par value they had better change their attitude in regard to brushing aside in such a carefree fashion the Geneva trade agreements and the value which those agreements will ultimately be to Canada. I suggest in all sincerity to my hon. friends, let us stop wasting the time of the house—

Mr. DIEFENBAKER: Hear, hear.

Mr. ROSS (Souris): Hear, hear.

Mr. CLEAVER: Forget about the smoke screen of constitutionality and let us get down to a study of the actual terms of this measure.

Mr. FLEMING: I was wondering whether the hon. member could direct our attention to the provision, if any, in the Geneva trade agreements which requires that the Minister of Finance should impose excise taxes on Canadian-made commodities being sold to Canadian consumers and announce these taxes over the radio before parliament is in session, and impose the taxes before parliament has even had a look at them.

Mr. CLEAVER: In response to my hon. friend all I can say is this, that if any hon. member, knowing all of the facts back in September and October last when the Geneva trade agreements were in their final stages, would have been prepared to risk the consummation of these long-term agreements, well, I cannot agree with his point of view.

Mr. BENTLEY: Mr. Chairman, I do not suppose that members on this side will condemn me if I do not attempt to deal with what the hon. member for Halton (Mr. Cleaver) has said. In my opinion it is not worth discussing.

Mr. BRACKEN: Would the hon. member permit me to ask a question arising out of what the member for Halton has said?

Mr. BENTLEY: I would not mind if it did not provoke another speech from the hon. member for Halton. We are in committee and the leader of the opposition can put his question to the hon. member when I have finished in about eight or nine minutes' time. I dislike to be discourteous, but I am afraid of what he might provoke. It has been reiterated that there is no tax yet imposed. Mr. Chairman, this reiteration is just plain nonsense to ordinary people like myself. On the purchase of any of the articles listed in this resolution, twenty-five cents out of every dollar spent leaves the buyer's pocket; so far as he is concerned it is gone, and in most cases he will never get it back again, even if this measure were defeated.

I am not going to do as some hon. members have done. I shall not assail the minister personally because of what is called his facetiousness. I am rather glad he is not a sour-puss, that he is genial in his replies. I hope he does not wisecrack too much and make light of the matter, but certainly he is better the way he is. Neither would I ask for the minister's resignation. I would prefer to see sufficient members stay in the house on this side, without pairing and absenteeism, so as to assist some day in defeating the whole government over there and giving the people an opportunity to say what they want to have done. I have laid no charges against any party on this side. I simply express a personal wish and say what I should like to have happen, that is, the defeat of the government, in whom I have no confidence.

However, the aspect with which I wish to deal is somewhat different, and that is the effect of this measure upon the people. In my opinion it is an unfair system of rationing, whether it is designed for that purpose or not. On page 1543 of *Hansard* the minister is reported as having said that the particular articles which are included in this list are not, in their essence, necessities of life.

I say a statement of that kind is an indication of the utter callousness of the government. Electric toasters, refrigerators and gas refrigerators are a great necessity in a great many apartments occupied by lower income receivers in our Canadian towns and cities. Curling irons and tongs are a necessity to women who are unable to afford the advantages of the beauty parlour but who, nevertheless, are just as anxious, and have just as much right, to be neat and attractive as their more fortunate sisters. Combs and mirrors are just as necessary to poor people as to anyone else.

Has a government any moral right to apply a tax that rations the lower income groups out of the right to have, shall we say, waffles, if they like waffles, by withholding from them waffle irons?

The minister expressed regret that he had received no commendation for the abolition of the tax, that is the consumption and sales tax, on electricity and gas used in homes.

Mr. ABBOTT: And on sugar.

Mr. BENTLEY: After all, while that would gratify those who are equipped with all these appliances, or maybe the people who buy these appliances in spite of the excise impost, yet many of the people I have mentioned will receive no advantage if they are not able to buy these articles and use them.

Mr. ABBOTT: We all eat sugar though.

Mr. BENTLEY: I will come to that. The abolition of the excise tax of one cent a pound on sugar is acceptable, but I submit that it can hardly be called significant enough to cancel out the new excise impositions. I repeat what has been said so many times, that this tax is unjust and unnecessary and has been applied without proper authority. It makes the poor poorer and hurts the middle-income group. It is very likely that some of the industries engaged in the manufacture of some of the articles listed here will have a considerable amount of unemployment if this tax goes into effect on all the articles mentioned.

On the constitutionality of it, much has been said by learned gentlemen on this side. I am not going to try to deal with that. I do not believe it is constitutional to tax over the radio but, as I say, I am not going to argue that. Certainly, however, the argument that has been put forward over here as to the constitutionality of the measure and the imposition of this tax, which is certainly a tax that is being collected, has not yet been effectively answered by the other side of the house, which is responsible for it, and I think the committee is entitled to a reply in that regard so that we can see what the actual constitutional position is from two different points of view.

Mr. BRACKEN: Early in his remarks the hon. member for Halton (Mr. Cleaver) referred to something I am represented as having said in the house on December 19. Would the hon. member give me the reference?

Mr. CLEAVER: I read a statement which the leader of the opposition made, as reported at page 535 of *Hansard,* at the foot of the page:

> Mr. Bracken: Mr. Speaker, we shall have no objection to the Minister of Finance giving us all the information he can tonight, but we would be opposed to attempting to make any progress in discussion.

Mr. ROSS (Souris): I should like to add to what has been said by the hon. member for Swift Current (Mr. Bentley). First of all, I wish to endorse all that has been said on this side of the house, especially in the debate last night, against the constitutionality of this procedure. If anyone will read the circular sent out under date of November 18 to all customs and excise collectors, being series D, T.C. 242, No. 898-C, he will see that it instructs all collectors that from that day on they are to begin collecting this tax, and it has been collected every day since that time. That should dispel further argument as to whether the tax is collected or not. I have never read, in the history of any democratic country, of such a procedure having been taken to tax the people

of a country, as was done by the minister in his broadcast over the air that night, when parliament was not in session. Added to that, there was some discussion this afternoon about the emergency and how it came into being. That emergency was pointed out in the previous session by several speakers of this party before that session came to an end. I wish to refer to something that happened last fall, in the months prior to November 18, in connection with the foreign exchange control board.

Mr. CLEAVER: I am going to ask you, Mr. Chairman, to rule on the point of order. I was not allowed to discuss foreign exchange control.

Mr. ROSS (Souris): This is under foreign exchange control.

Mr. CLEAVER: We are not discussing foreign exchange control.

Mr. ROWE: We are discussing austerity.

Mr. CLEAVER: We are discussing the excise tax, and I am asking for a ruling of the Chairman.

Mr. ROSS (Souris): As I understand this whole procedure, it is to conserve foreign exchange. Am I right or wrong? I have here a pamphlet issued by the government of the day in February, 1948, and it is rather strange. It deals with the marketing of grains and so on.

The CHAIRMAN: Order. I cannot see that there is any objection to referring to some other act in this debate, if the hon. member is only going to refer to some other act.

Mr. ABBOTT: We covered quite a wide field. This resolution is the ordinary budget type of resolution preceding the introduction of an act to amend the Excise Tax Act. I do not believe we should go into too great detail; in fact, we should not go into detail at all as to the operation of the foreign exchange control board or any other government board. The resolution relates solely and exclusively to the proposed excise taxes and an amendment to the Excise Tax Act.

Mr. ROSS (Souris): The words that the minister himself used, as reported at page 336 of *Hansard,* are:

> Now I have emphasized that the main purpose of the new excise taxes is to save United States dollar exchange rather than to produce more revenue.

Mr. ABBOTT: That is right. So what?

Mr. ROSS (Souris): That is what I want to make reference to.

Mr. ABBOTT: But we are in committee.

[Mr. Ross (Souris).]

Mr. ROSS (Souris): Certainly we are in committee.

The CHAIRMAN: I cannot see that the hon. member is prevented from making reference to it, but he should not debate foreign exchange.

Mr. ROSS (Souris): No, I am not.

The CHAIRMAN: I understand that he is merely making reference to it.

Mr. ROSS (Souris): Yes. I wanted to say this. According to government statistics issued and received in yesterday's mail, of the rye crop produced in the province of Manitoba in 1947, 205 per cent has been marketed in the first six months of this marketing year. Why? Because millions of dollars of United States funds were advanced by the foreign exchange control board under the finance minister of Canada to purchase this excess rye in the United States, which was the rye brought into Canada and exported to European countries on our own credits which the Minister of Agriculture said the other day would never be repaid. That has been bringing about this situation and has caused to some degree part of the emergency which we have had developing for those many months. I just want to make that reference.

Mr. ABBOTT: What nonsense!

Mr. ROSS (Souris): As to the actual items mentioned in this resolution, I have another pamphlet put out by the government which, according to their surveys, points out that in the three prairie provinces only four per cent of the people have any electrical motors or appliances in their homes or on their farms. We realize that there is not any shortage of electrical equipment of this nature. Refrigerators are referred to. We have many veterans who have become married since the war. They have their gratuities. They want to buy some of these things. Only yesterday in the mail I received a letter from an important trading centre within my riding, and that fellow points out to me that he has requests for 250 refrigerators in that trading centre. That is brought about in this way. In the past year or two we have had a great hydro expansion in rural Manitoba. As a result of that expansion by the hydro, we now have a demand by the farmers alone, to say nothing of those towns and villages, for many thousands of Frigidaires as well as electrical motors and equipment of all sorts, such as equipment for the chopping of feed for livestock and so on. I could enumerate all sorts of articles listed in this resolution. Is it fair, for instance, with regard to these Frigidaires, that these farmers, after

having subsidized the consumers of this nation on food products as they have done since 1942, by a measure such as this should be asked to pay $50 to $100 extra in the matter of excise tax for that one piece of equipment? That is what has been done to them. I want to add my humble voice in protest just as strongly and as loudly as I can against that sort of legislation at this time.

I agree with the hon. member who has just taken his seat. I hope enough of us can be here to defeat the government on that sort of thing. I am receiving letters daily complaining about this matter, not only from dealers but from the people themselves who had been saving up a bit of money in difficult times to purchase that sort of equipment, to which they are certainly entitled in their homes at this time. I want to make that point. I hope the request made this afternoon by the hon. member for Kootenay West will be met, and that the minister will be able to release the tax on, I think it was a kerosene Frigidaire, because many people in the outlying points are able to get great use and comfort out of that equipment where hydro electric power has not been extended. I cannot understand the reasoning of the government at all. Certainly anything the minister has ever said has not proved to anybody in Canada why an excise tax should be imposed upon these articles listed in there as they are today. The people are entitled to something altogether better from the government of the day.

Mr. ABBOTT: I have not taken much part in this committee debate so far. We have been getting a series of speeches, and I think it is appropriate that I should say a word just at this time, because I want to try to put before the committee, if I can, some of the facts of life in connection with our overall current account position which is the fundamental reason for our exchange shortage. The position is this. We are taking certain measures to endeavour to correct our exchange position. One of them is to impose import restrictions to cut down on imports from the United States. Another is the imposition of excise taxes, which is the measure we are now considering, to accomplish two things. The primary purpose is to reduce the consumption of articles in this country which are either imported or contain a high import content. Canada's position is this. We have been producing at a high level, and we have been exporting substantial quantities of goods and merchandise to other countries.

Mr. MacNICOL: Giving it away, really.

Mr. ABBOTT: That is a point I am coming to. We have been doing that in a large measure on credit. A country can do that on credit, provided that it has a surplus of its production over its consumption to lend or to send to other countries. That was Canada's position up to about the end of 1946. Up to the end of 1946 the people in this country still were producing something in the order of $400 million worth more of goods and services than they were consuming. But that position changed in 1947. In 1947 we consumed in this country just about what we produced. Nevertheless we continued to export to foreign countries, in order to assist in the reconstruction of those war-devastated countries, substantial quantities of goods. We did that on credit. We were able to do that by digging into our cash reserves, but we seriously impaired those cash reserves. If we are to continue to play our part in assisting in the reconstruction of these devastated countries, we can do so only in one of two ways. We must either increase our production in this country or we must reduce our consumption. It is just as simple as that. Unless we can re-create what the economists refer to as an over-all current account surplus, which we have not today, we cannot continue to do what we have done in the past. If we in this country want to live in a lush atmosphere with a high standard of living, with everybody buying all the refrigerators, hair curlers, toasters and automobiles they want to buy, well and good. But when I was speaking in Montreal not very long ago, I had occasion to say I do not believe that Canada can continue to live in an era of prosperity in the midst of a starving world. That is what this measure is intended to do—to reduce consumption. In my judgment the real criticism or the sound criticism of this measure would be that it does not go far enough. We should have covered a far wider field in an endeavour to reduce to some extent consumption in this country. That may not be a pleasant thing to say, but that is the position we are in. If we are to continue to play our part in world reconstruction, that is just what we have to do; we must increase our production or decrease our own consumption. Perhaps we can increase our production. At the present time we are operating under relatively full employment. People might work longer hours, of course; that is a possibility, or we might become more efficient. Speaking generally, however, I think it fair to say that both in the agricultural section of the economy and in the industrial we are operating nearly at full capacity.

Mr. MacNICOL: Would the minister permit a question?

Mr. ABBOTT: Perhaps the hon. gentleman would allow me to finish. Therefore, if we are to continue our exports to these countries, as I have said we must reduce our own consumption. One way of doing that is to use the fiscal method. Hon. members may differ as to that method, but it is a method which is generally recognized by economists and others of repute to be a proper and sound method of accomplishing that objective; and that is one of the weapons which the government has decided to use in this situation. That is one of the reasons this tax is being imposed. The list of articles selected, as I have said, includes articles which, speaking generally, are not the most essential. But, as I have said on other occasions, in the world as it is today we in this country are living beyond our means, not beyond what we can produce ourselves but beyond the means of our customers, and the purpose of this measure is as I have stated.

It is very easy to rise in one's place and criticize a tax measure. I know that. I know taxes are not popular. When these measures were brought in I was under no illusion that they would be popular, or that I would become a national hero because I brought them in. But I came to the conclusion, and the government came to the conclusion, that they were necessary if we are to continue to play our part. And that, I think, needs to be said.

Mr. MacNICOL: Now may I ask the minister a question?

Mr. ABBOTT: Certainly.

Mr. MacNICOL: I have not wasted much time in this house, nor do I usually ask foolish questions, but I should like the minister to answer this. As a means of cutting down our exchange difficulties, has the government considered the production of our own coal requirements, for example? We have the coal here; we have one-fifth of the coal in the world. Why was some move not made to produce Canadian coal to meet the Canadian need, and cease importing the $125 million to $150 million worth of coal we bring in each year from the United States?

Mr. ABBOTT: That does not come within my particular field; it is more in the field of my colleague the Minister of Mines and Resources or the Minister of Trade and Commerce. I understand, however, that constant attention is being given the possibility of increasing the utilization of Canadian coal. On another question raised last night by my hon. friend in connection with our petroleum resources, I think we are all tremendously encouraged by the success of the new field in western Canada, which bears all the earmarks of becoming a very large producer and which, I am told, will soon likely be able to produce enough to supply all the needs of western Canada. That will be a great thing; it will save millions of dollars in United States exchange and make us just that much more independent.

Mr. THATCHER: I should like to ask a question bearing on what the minister said a minute ago. He said this measure is intended to save United States dollars, and I think we can all agree with that. But he said the imposition of this excise tax was one way of doing it. Could we not have accomplished the same purpose by utilizing Bill No. 3, which we adopted two weeks ago, by putting all these things under a quota; that is, these parts for washing machines, refrigerators and so on?

Mr. ABBOTT: I am afraid perhaps my hon. friend did not follow what I meant by my reduction of consumption argument. I did say in previous speeches, in my radio address and others, that the end purpose we are trying to achieve would be defeated if we prohibited the importation of certain articles from the United States, such as motorcars, refrigerators and the like, and then allowed our domestic production to expand to fill the gap. I repeat, because it is the crux of this whole exchange difficulty we are in, that what we have to try to do is to re-create that over-all current account surplus as between exports, imports and consumption.

Mr. THATCHER: I am afraid the minister did not follow me. Could we not have rationed the parts imported from the United States? In other words, could we not have allowed in only so many parts for refrigerators, washing machines and so on? Would that not have accomplished the same end?

Mr. ABBOTT: But there is a substantial metal content in articles like refrigerators, such as copper and aluminum, which we can sell in export markets for United States dollars. I come back to this fundamental principle I am trying to explain. It may sound a little theoretical, but actually it is not. We must create again this surplus of exports over what we consume, a surplus of what we produce over what we consume. Otherwise we simply cannot continue to do our job.

Mr. ROWE: I have listened with considerable interest to the Minister of Finance, and I find myself in agreement with much of what he has said. I think we are all fully or at least

partly aware of the terrible world situation. We realize that conditions overseas are critical, and perhaps in a general way we can agree with what the minister says is his objective. I was also interested in the question asked by the hon. member for Moose Jaw, and I find myself in agreement with his suggestion. If our only purpose was to keep United States goods out of Canada, why not put them under quota, or, for that matter, prohibit them as you have prohibited many other articles? But why the excise tax? It is recognized that the government does not need more revenue. It almost boasts of the surplus of five or six or seven hundred million dollars it anticipates, so that surely we do not need more revenue. I agree with the minister when he says that when these conditions arise we must adopt fiscal methods to correct them, but I do not find myself in agreement with the statement of the hon. member for Halton that this emergency came up very quickly. As the hon. member for Muskoka-Ontario has said, it certainly was not that type of emergency, unless there are two dictionary meanings of what an emergency is. As hon. members have already said today, several on this side pointed to the critical situation which was developing and repeatedly told the Minister of Finance and the government that it would continue to develop if they persisted in their fiscal policy. The hon. member for Halton harked back to the days when a leader of this party, a former prime minister, said he would blast his way into the markets of the world. Perhaps that was not the best way to put it, but I submit that it was much more graceful than to make no statement at all and then blast your way out of the markets of the world, as this government is doing.

Mr. ABBOTT: Our trade has never been greater. Some blasting!

Mr. ROWE: I have been surprised at that myself. This must be a strong country to be able to withstand the weaknesses of this administration.

Mr. HARTT: Don't tell us about Mr. Bennett.

Mr. ROWE: You were not here when Mr. Bennett was here.

Mr. HARTT: No, but I know all about him, and I know all about you, too.

Mr. ROWE: And I know all about you. I can only say, Mr. Chairman, that if we are to deal with fiscal matters I am sure no one on this side needs to offer any apology for the fiscal policies enunciated by ourselves or our predecessors. If I were a new member like the hon. gentleman who has interrupted me, and had lived with the Liberal party in this house for only a short time, and if I knew as much about it as he pretends to know, I would be almost ashamed to mention fiscal matters. These are the great champions of free trade. These are the people who, away back years ago, were going to have commercial union with the United States of America. These are the people who, for half a century, have heralded free markets of the world.

I can well recall hearing speeches along that line when I first came to this house in 1925. Many who spoke at that time have now passed on to their great reward. Some of them were fine gentlemen, on the other side of the house —and there are a few left in that category. I know that even one of the worthy predecessors of the present light-hearted Minister of Finance, the Hon. Mr. Robb at that time, and many others, spoke along that line. I listened to the Hon. Mr. Fielding, although at that time I did not hold a seat in the house. But I did have the opportunity to listen to him speak and I have heard many others talk about the free trade policy of the Liberal party, and tell how they would open the markets of the world.

I sat in parliament while the party opposite came to parliament with one trade agreement after another, between 1925 and 1929. Never did any party in so short a time negotiate more trade agreements with other countries of the world than did the Liberal party of that day. And never did a party in such a few years almost close our world markets; because in 1930 we found ourselves in a terrible condition.

An hon. MEMBER: A Tory government.

Mr. ROWE: Yes; it was so bad that the country called in a Tory government to take over.

Mr. CRUICKSHANK: It must have been bad.

Mr. ROWE: And it is coming to that again, very rapidly.

Mr. HARTT: A pound of butter.

Mr. ROWE: And it was not only a pound of butter. I can well recall what happened in those years. All one has to do is to go back and search the records to find out how much trade we had in agricultural products with the United States, and compare the figure with our trade in 1930. The fiscal policy in those years was of a most haphazard and uncertain type.

We find that between 1921 and 1930 not only was the balance of trade unfavourable to Canada, but there were more people leaving this country and going to the United States

than were being born here or coming to Canada. And today we have a similar situation.

But those who have been maintaining almost every tariff enacted by the Liberal party have always worn the mantle of free trade, have always worshipped at the shrine of laissez faire in trade, and have said, "Sell where you can sell the highest, and buy where you can buy the cheapest." They have talked free trade in western Canada and maintained protection in eastern Canada during all those years. They have twitted our party for having a brick-for-brick policy in tariffs. But never before have we seen such prohibitory measures against international trade as those we have now been forced to adopt.

I am not going to review the exchange situation. But surely even the Minister of Finance, in some of his quiet moments in private—when he is not disturbed by having to watch those of us on this side of the house —must have had some doubts as to the wisdom of the fundamental reasoning of these developments in 1947.

Mr. ABBOTT: The inability of our customers to pay us.

Mr. ROWE: None of us is infallible, not even the minister. But he must have had some doubts. There are many who have had more experience in business than either the minister or I, who express grave doubts. And I would ask him to consider carefully how we got into this mess. Why have we now austerity in the midst of prosperity?

I agree with the Minister of Finance when he says that if you are to have more to send out of the country you must either eat less or produce more. That is axiomatic; we can all agree with that. But I cannot agree that the minister can encourage production by the people if he proceeds to build up a huge surplus in revenue, and increase taxation.

Is there anyone who, by the widest stretch of the imagination, would say that the imposition of a 25 per cent excise tax, at a time when we are boasting about having a half a billion dollars in revenue as a surplus, will help production?

If the minister wishes to increase production in Canada, then I suggest several things that should be done. I would say, first, that, instead of putting on more taxes, he should remove the sales tax. It is a tax which multiplies and pyramids all along the line, until it becomes an enormous tax. Even the hon. member from Montreal would agree with that. No, I see he would not agree. There are none so blind as those who will not see. I know, and you know, Mr. Chairman, that we are carrying a burden of taxation in Canada which is almost crippling industry, stifling enterprise, killing initiative and dampening genius in our people who would embark upon new ventures in other lines.

Mr. ABBOTT: Profits are higher this year than ever before.

Mr. KNOWLES: Do you admit that?

Mr. ABBOTT: Last year, I should have said.

Mr. ROWE: And you are taking more of them, too, than any government has ever taken before.

But that is not good enough. It is not enough merely to say that, in a time like this, when the world is starving, in a time like this when there is a shortage of consumer goods, profits are good. Certainly profits are good in many industries today. But do not let us fool ourselves. If we want more production in this country—which we do want—and if we want more United States dollars, then I say there are many things we can do. If the government intends to consider fiscal changes, then may I suggest that it lift the embargo on beef cattle going into the United States, and get a few dollars in that way. May I suggest, further, that you lift the embargo on malting barley going into the United States. May I suggest that you remove the sales tax, and do not proceed further with this excise bill.

Mr. ABBOTT: How would that reduce consumption?

Mr. ROWE: How would it reduce consumption?

Mr. ABBOTT: Yes.

Mr. ROWE: It would increase production.

Mr. ABBOTT: I doubt it. I think we are pretty well at full employment now.

Mr. ROWE: There is plenty of employment down around the civil service branch. You have more civil servants than you ever had in the history of Canada.

Mr. ABBOTT: No; about 25,000 less.

Mr. ROWE: When one control is removed you have to put another on to cover up the errors in it. May I suggest that if the government wishes to increase production—and I agree with the Minister of Finance that we should—instead of putting more controls on, he should take more off and let the people know where they are going. Let the people find their own level. Let industry be governed

more by the law of supply and demand. If there ever was any virtue in the old free trade doctrines of the Liberal party, then surely today that party is the farthest away from its free trade policy it has ever been since confederation. If there ever was any virtue in it, then surely there might be some virtue in it today, when the whole world is clamouring for foodstuffs. This is a time when we need international trade, and when we should not allow ourselves to get into a position where we have to prohibit goods from that great customer, the United States of America.

We can well recall hearing the present Prime Minister state in the house that we must not provoke the United States. We could scarcely raise a tariff. But today we have the greatest number of changes, and have observed the greatest number of changes in the fiscal policy of the Liberal party that we have seen in the last twenty-five years.

I can remember when that party was going to have a policy of free trade. They said, "Buy your implements where you can buy them the cheapest; sell your products where you can sell them for the most"—total free trade. The Liberal party in western Canada called for free trade.

Mr. BERTRAND (Laurier): That was a time when you could exchange money; but today you cannot do that.

Mr. ROWE: And Liberals, like my hon. friend from the province of Quebec, wanted reasonable protection for that province, and the city of Montreal, as many of us did for the industrial sections of Ontario. But the result was that in 1930 the fiscal policy of that party which has been everlasting in its condemnation of any degree of protection was such that a minister of finance, who preceded the one now in office, came in with countervailing duties. He chided us on this side of the house for having a brick-for-brick policy. He said, "We will not call it brick for brick; we will count it a countervailing tariff. If the United States puts on a tariff of ten per cent, we will put on the same tariff here". In other words, we have changed so often in Ottawa that we now leave it to Washington to decide what type of tariff we shall have. It is now said that in order to get more United States dollars and prohibit the importation of United States goods we shall put on a 25 per cent excise tax; we shall provide a long list of goods which will not be allowed into Canada.

I do not intend to go into any legal argument as to the unconstitutional part of it, because I have mentioned before what I thought of it. This is the first time in my experience of a quarter of a century in this house that I have known of taxes to be imposed over the radio and have them collected long before they were passed by parliament. I listened to the hon. member for Halton and, being a farmer, I imagine it was difficult for me to follow him. However, as a farmer I could tell that, while he was trying to give a legal interpretation, it was simply a skilful legal circumvention of the real issue when he was saying that the minister was not in any way bound or was not acting unconstitutionally when he asked parliament for certain rights. Even the minister laughed at that and I am sure that would not need much argument. The people of this country know that this is another example of the usurpation of parliamentary rights such as we have not before experienced in the life of this house, all under the cloak of emergency of war, a war which ended two or three years ago. You will always have emergencies when there is this uncertainty in our fiscal policy which we have experienced in the last few years, especially of late years. The more emergencies we have, the greater the tangle will be.

I am not going to labour it any more than to say I regret that the government now finds itself in an economic tangle. Nobody is just sure how they got into it, and heaven knows nobody knows how they will get out of it.

Mr. ABBOTT: They explained how they got into it a few minutes ago.

Mr. ROWE: I urge upon those who have the great responsibility of fixing the fiscal policies of this country, such as the Minister of Finance or the minister who has control of our rapidly growing industrial expansion; I urge them when they are thinking over these fiscal matters to ask themselves whether they can get more production by putting on more taxes or whether they can get more industry by having more governmental controls. I urge them to ask themselves that in the quiet confines of the east block.

Mr. THATCHER: Can the minister tell us how much has actually been collected in the almost four months this tax has been on?

Mr. ABBOTT: I could not give those figures because the returns from the outports do not segregate them. It is possible, of course, they might be obtained.

Mr. THATCHER: Could you obtain them?

Mr. ABBOTT: I shall see if they can be obtained.

Mr. KNOWLES: You admit that the tax has been on for four months?

Mr. ABBOTT: We probably could make a fairly accurate estimate. For instance, the automobile situation is this: from the 1st to the 18th of November is was 10 per cent, and then it was increased to 25 per cent. The figures could be broken down and probably an estimate could be made.

Mr. MACDONNELL (Muskoka-Ontario): Like the hon. member for Dufferin-Simcoe, I agree with the minister when he says that if we are to do what I am sure everyone wants to do, that is not only live ourselves but help to meet the needs of others, we must have an over-all current account surplus. But that does not commend this taxation. I might just remark in passing, without labouring the point, that there are certain other measures which we think the government might have adopted but which they have decided not to adopt. Therefore we are forced back on this measure.

As I pointed out last night, and I do not intend to labour it further, this measure really has four aspects. The saving in United States exchange which it is hoped to achieve may be quite trifling. Along with the hon. member for Moose Jaw, I think we must have some idea of the amount involved before we can reach any intelligent judgment on the bill. Like the hon. member, I hope the minister will give us a breakdown, not only as to what we might be saving in United States exchange but other details as well. As I read the minister's speech of last December, the only saving in United States exchange that we shall make is the saving of United States parts of Canadian articles which are being kept out.

Mr. ABBOTT: And the reduction in the consumption of things that we can export.

Mr. MACDONNELL (Muskoka-Ontario): That brings us back to the minister's point of the current account surplus, with which I agree, but it does not necessarily mean that that is the way to get it. Therefore I think we on this side are entitled to look critically at this bill. I believe the minister in his heart must recognize the fact that it is extremely difficult to understand it because it seems to go off in four directions. This measure originally came to us as a means of saving United States exchange and I think we are entitled to have some idea of how much United States exchange has been saved. We are also entitled to know—this may be more difficult to get—how much our own purchases have been cut down.

It is perfectly open to all of us to say that this is not the best way of doing this. Certainly there seem to be a great many flaws in it. Certainly it seems as though the people who are singled out here to make a sacrifice are not the people who should necessarily make it.

Progress reported.

BUSINESS OF THE HOUSE

Mr. ST. LAURENT: The business tomorrow will be as announced earlier this afternoon by the Prime Minister. In the afternoon we shall take up the second reading of Bill No. 126, to amend the Pension Act. That is No. 19 on the order paper for today. That will be done in the hope that it can be given second reading in the afternoon and be referred to the committee on veterans affairs. If that is done before six o'clock we shall go on to the resolution providing for an amendment to the Canadian Wheat Board Act to provide for further payments to producers of wheat. In any event, we shall take up the resolution concerning the Wheat Board Act at eight o'clock if it appears that second reading of the pension bill will not be completed within a short time. If both those items are disposed of, we shall go back to the resolution dealing with the excise tax.

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

END OF VOLUME II